THE LABOUR MONTHLY

A MAGAZINE OF INTERNATIONAL LABOUR

Editor: R. PALME DUTT

Volume 6 April, 1924 Number 4

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Correspondence between the Editor and the Printer of "The Labour Monthly"

World of Labour :: Book Reviews

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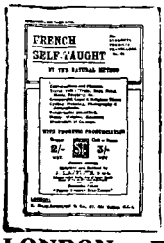

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THE LABOUR MONTHLY exists for the war on wealth.

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NOTES of the MONTH

Education—Propagandists and Statesmen—Poisonous Phrases—Office and Power—Burking the Issue—The Real Issue—Class versus Class—The Logic of Statesmanship—The Credit and Debit Fallacy

THE political education of the British working class is proceeding very fast. Every day of the existence of the Labour Government, every question that arises, whether of armaments, Empire, foreign policy or strikes, is forcing home real issues that cannot be escaped, is driving every leader, great or small, and every party into the limelight of positive decision, and is smashing with deadly blows the old atmosphere of vague uncritical acceptance of general principles and eloquent ideals. It is easy to talk anti-militarism and anti-imperialism. It is another thing to know what the acceptance of these means in class terms, and to be ready to shoulder the consequences. This is the lesson that is being driven home to many sore heads and sad hearts. It is a favourite phrase of the idealists that Education is the greatest need of the workers. It is certainly Education that they are receiving now—not the vague and beautiful education of "conversion to socialism," but the real education of experience, the education of facts.

"YOU cannot," declared the Empire Secretary in a recent speech, "have men assuming the reins of Government, brought face to face with the grave responsibility of determining the defences of an Empire like ours, brought into daily and hourly contact with the facts and realities of Government—you can never again drive those men to the mere propaganda stage." This statement, which might have aroused indignation and denial a few months ago, would now be widely accepted as correct; and it is a measure of the gulf that has been crossed. It is indeed profoundly true—though not exactly in the sense in which the speaker intended it. For the fissure of which Mr. Thomas and

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his colleagues are becoming conscious is not a fissure between administration and propaganda. It is a fissure between class and class.

IT is necessary to take the position very simply and clearly, because it is causing much bewilderment and confusion ; and all the stock phrases with which practical politicians have hypnotised their audiences since the beginning of things are being successfully passed across an innocent and puzzled movement. "Labour is in office, but not in power." "We must do as the majority of the nation wishes." "Our duty is to carry on the King's Government." "In an imperfect world it is necessary to weigh gains against losses." How trippingly the poisonous phrases run off the tongue to cover up any slime of imperialism, sycophancy, and corruption. And the picture is rendered all the more misleading because it is portrayed in opposition to a small group of "idealists," who are depicted as insisting on going into the wilderness, who refuse to compromise on principle and who serve to save the conscience of the party, either as noble Quixotes or unpractical visionaries, according to the taste of the observer.

"LABOUR is in office, but not in power." On this it is only necessary to ask two questions. The first is : would Labour with a parliamentary majority have acted very differently *in the points at issue* from Labour as it is with a minority ? Would it not have just the same built the cruisers, shot workers in India, tried to smother strikes in the interests of the community, &c., &c. ? The answer is that of course it would, because this action is in accordance with the principles of the present Labour Ministers (defending the Empire, carrying on the King's Government, &c.). This answer can be subjected to a simple test—the use of cruisers. Labour was not compelled to build the cruisers because it was a minority ; for the Liberal vote against, combined with the Labour vote, would have secured rejection : but Labour built the cruisers because it believed in building them, and its vote was decisive in securing this adoption. In other words the minority argument will not work in just those matters which are in controversy.

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THE second question is even more fundamental. Is there any measure or betrayal so gross that it could not be carried by this principle of "in office, but not in power"? Is there any limit to its application and, if so, *what measure determines that limit?* It is clear that the logical application of the principle would result in a complete determination of policy by the Capitalist majority and execution by the Labour minority. However, not even the most determined advocate of this principle (or rather apology for the absence of a principle) has advocated this. The fact is that this supposed explanation disappears on examination and is seen to run away from the real issue. The real issue applies equally to any Labour Government, majority or minority, and only the more strongly in the case of a minority government, because of the danger of its becoming a catspaw of the capitalist majority.

WHAT is that issue? It is the issue facing any social democratic party, the issue that there are only two sides of the class struggle and every positive action must be on one side or the other. This is the issue which drove the Mensheviks to find themselves fighting shoulder to shoulder with the White émigrés against the Russian workers and peasants. This is the issue which drove the German Social Democrats to find themselves putting guns in the hands of the old Junker officers to shoot down the German workers. This is the issue which is driving the British Labour Government the full length of Imperialism because they will not journey the path of the Revolution. None of them like their jobs, but they have to do them. The choice is not between a beautiful ideal "democracy" and the ugly outlines of the class struggle. The choice is between the direct service of aggressive imperialism and capitalist dictatorship (Jaito, Sudan, Air Force expansion, application of Emergency Powers Act in strikes, &c.) and the service of the working class. Every positive act of a Government has to make that choice one way or the other (as Lansbury pathetically remarks, there are only two Lobbies). One class or the other must rule. So long as the capitalist class is in actual power and possession, no Labour Government can rule. A Labour Government can only serve as an instrument of attack

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against the capitalist class. If it is not used for that, it becomes at once an instrument of defence of the capitalists against the workers.

IT is not a question of moderation versus extremism, of idealism versus practical politics. It is a question of class versus class. Therefore the casuistical arguments of the I.L.P. " practical " pacifists in favour of the cruisers and airships (" We are in favour of the Armaments Extension Programme because we are not Tolstoyans or Doukhobors "—this argument has actually been used by Angell in the *New Leader* and Johnston in *Forward*) fall to the ground. It is no more relevant than the pretence of " national defence " as a justification for the imperialist war. Does it then follow from not being a Tolstoyan or Doukhobor that you must shoot Indian textile workers in Bombay or build cruisers—declared by naval experts to represent a revolution equivalent to the Dreadnought in battleships when your existing strength is 50 and 20 against your nearest rival—or concentrate your naval powers in the Mediterranean, build aeroplanes to police Irak ! For these are the questions at issue, and not the ethics of non-resistance. I.L.P. spokesmen have continually declared that their objection to the Bolsheviks is an objection to the use of force. It is now, however, clear that their objection is not to the use of force, but only to the use of force on behalf of the working class. They are prepared to accept the use of force on behalf of capitalism and imperialism. Their objection to the Red Army is not that it is an Army, but that it is Red. This is a fact which the working class will not forget. Pacifism, so long as it remained innocent seeming humanitarian pacifism, might court their unsuspecting suffrages. But when Pacifism drops its cloak and appears as simple White Guardism, it is another matter.

IN every question that has arisen the logic of this choice reveals itself. In relation to the Empire, it means the "second Amritsar" of Jaito, the repulsing of the Nationalists, the exclusion of Horniman, the treason trial of the Indian Communists for forming " workers and peasants associations " with an " economic programme," the voting of millions of public money to the Sudan

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exploitation company, paying 35 per cent. In relation to foreign policy it means the acceptance of Versailles and the repudiation of the International. In relation to the workers' struggle at home it means the repudiation of responsibility for the workers' struggles, the imposition of the Emergency Powers Act machinery, the maintenance and support of anti-labour secret service spying and police and the public advocacy of industrial arbitration and peace. "Men faced with these responsibilities can never again become the indifferent propagandists that they were in the past. They must remain for all time responsible politicians keeping only in mind the great interests of a great country."

IT is often argued that a profit and loss account should be struck over the Labour Government, and gains should be set against losses. In this way gains would include the Recognition of Russia, the abolition of the Gap, the extension of Uncovenanted Benefit, and the partial triumph of Poplar. No argument could be more fallacious. An analogy will make this clear. During 1906 to 1914 the Labour support of the Liberal Government was often defended on the ground that the Liberal Government, even though involving much that was unsatisfactory, could achieve certain definite results for the workers. And the fact in the argument was true : only the argument was wrong. The Liberal Government undoubtedly was able to achieve important gains for the workers in the Trades Disputes Act, and reforms which the workers felt as real ones, such as the Old Age Pensions. But the significance of the Liberal Government lay, not in the reforms that were carried, but in the imperialist foreign policy of war that was being prepared. The big issue was the real class issue : the rest were sideshows. So to-day. The big issue is imperialism and war ; if the bourgeoisie can use the Labour Government on these, it will let any number of minor reforms go through in order to keep the workers' attention occupied and pleased. We cannot afford to make the same mistake again. No amount of reforms can touch the two vital issues : the one, imperialism and war; the other, the economic situation. Only a strong class policy can deal with these.

R. P. D.

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INDIA AND THE BRITISH LABOUR GOVERNMENT

By MANABENDRA NATH ROY

(M. N. Roy, whose activities on behalf of the Indian working class are well known to the Labour Movement of the whole world, is at present under trial in his absence by the British authorities in India. The charge is one of "conspiracy against the sovereignty of the King Emperor" and his crime is to have advocated the organisation of a mass party of workers and peasants in India. We hope that all readers of the LABOUR MONTHLY *will take the opportunity to consider this article, the latest from his pen, and to decide whether they will allow this blow at Indian working-class organisation to take place under a British Labour Government.*—Editor, LABOUR MONTHLY.)

IT is generally known that the British Labour Party came to office not by dint of its own parliamentary strength, but by the grace of the Liberals. Without the support of the Liberals the MacDonald Cabinet cannot live for one single day. In fact, Mr. MacDonald did not take the responsibility of forming a Labour Government until he was assured that the Liberals would not only vote for his amendment to the King's Speech, but would continue supporting him while in office. This invisible coalition could not be realised just for the asking. The anxiety of the Liberals to overthrow the Tories was not so strong as to drive them to put a "Socialist" Government in office instead. Mr. MacDonald had to pay dearly for this invisible coalition, which has made his residence in 10 Downing Street possible.

The price with which this very uncertain Liberal support has been purchased is very great. This fact is not generally comprehended. That section of the Labour Party which would not permit an open coalition with the Liberals would be staggered if they stopped to think how much of the Labour Programme had been sacrificed. The Capital Levy and Nationalisation of the Mines were the two planks that distinguished the Labour platform from that of the Liberals. They have been unceremoniously rejected as outside the realm of practical politics.

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The same Mr. Snowden, who but a few weeks ago declared that the economic life of Great Britain could not be saved without a Capital Levy, is to-day engaged with equal enthusiasm in the task of salvaging British Capitalism without the Capital Levy. The question of Nationalisation is very conveniently forgotten. His duties in the Admiralty do not permit Mr. Hodges to bother about other questions. Mr. Smillie's radicalism is evidently damped by age. Or is he bewildered by the rapid march of events so adroitly manipulated by the "intellectuals" in the Labour Movement? Whatever it may be, Nationalisation is rejected. It is done because the Liberals demanded it. They would not permit the least tampering with the sacred rights of property.

In addition to these very large concessions made in the realm of home politics, Mr. MacDonald had to guarantee that he would not do anything to weaken the Empire in the least. Here he sacrificed two of his most precious personal principles, namely, Disarmament and Self-determination. Of course, he would not admit that this sacrifice has been made. In fact, he still talks of disarmament if not of self-determination. But so also do Lloyd George and Asquith.

The military strength of the British Empire will remain intact under the Labour regime. In his Programme Speech in the Parliament, Mr. MacDonald has declared that the question of disarmament will be discussed without impairing in any way the forces of defence.

As regards the principle of self-determination, Mr. MacDonald has swallowed his own words no less remarkably than the prophet of this cult, the late lamented Woodrow Wilson. Even before he came to office he had made it unmistakably clear through the repeated declarations of his colleague, Mr. J. H. Thomas, that the Empire would be perfectly safe in the custody of a Labour Government. Since then, he has put the same Mr. Thomas (who according to his own words loves the Empire and is proud of it) in the Colonial Office, which is permeated with the spirit of such personalities as Winston Churchill and the Duke of Devonshire.

Mr. MacDonald acted so wisely as regards the three pivots of the Empire—namely, India, the Navy and the Air Forces—that he merited the approbation of *The Times*. The day after the composition of the Labour Cabinet was announced, this organ of Imperialism

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congratulated Mr. MacDonald upon the happy choice he had made for the three vital offices concerning the Empire. Indeed the incumbents for the India Office, Admiralty and the Air Ministry surprised even those who entertained little illusion about a "Labour Government" headed by Mr. Ramsay MacDonald. An experienced colonial governor, Sir Sidney Olivier, went to the India Office; Lord Chelmsford of Amritsar fame and not a member of the Labour Party became the head of the Admiralty; and a member of the Military Caste, General Thomson, was selected to be the custodian of the Air Forces—the backbone of the army of the future. Naturally such a choice could not but win the approval of the ruling class. The bourgeoisie, as it were, was allowed to station its own sentinels within the citadel of the Labour Government, to guard the three vital spots of the Empire. Mr. J. H. Thomas had proved himself perfectly reliable to be entrusted with the self-governing Colonies. In this post he would be very helpful in carrying out the project of dumping the unemployed in the wilds of the Dominions. He is an ardent advocate of Empire development and stands for sending out not only British capital but British man-power as well, to exploit the "incalculable riches of our splendid possessions."

In making at least one of these sacrifices in the imperial sphere, Mr. MacDonald, however, was not quite within his rights. Being the elected head of the British Labour Party, he is legally competent to distort its programme in any way he likes, provided that his flock acquiesces in this act of distortion. But his liberal professions, particularly of the doctrine of Self-determination, won for him admirers among the Indian Nationalist leaders. These expectantly looked up to Mr. MacDonald's advent to office as the beginning of the era when the principle of Self-determination would be put into practice in India.

Part of the price that Mr. MacDonald had paid for Liberal support was to throw overboard these Indian admirers of his. Here, however, he paid the price in coins that did not belong to him. The Indian Nationalists did not delegate to him the authority to interpret the aspirations of Indian Nationalists as it suited his convenience, nor would they permit him the privilege of dictating haughtily the lines they should follow. Consequently, his Indian

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policy has raised a hornet's nest. The advent of the Labour Government to office has filled Nationalist India with indignation and disillusionment, rather than with hope and friendliness, as would have been the case had Mr. MacDonald not sacrificed his Socialism on the altar of imperial interests.

It is true that the faith of Indian nationalists was misplaced in Mr. MacDonald. He wrote much about India ; but he never advocated self-determination for India half as ardently as he did, for instance, in the case of Georgia. But there were other reasons which accounted for the partial optimism that prevailed in India concerning the Labour Government. These were the pronouncements of some leading members of the Labour Party, who are looked upon as specialists on the Indian question.

Col. Wedgwood is the leading figure, Ben Spoor occupying the second place. These two gentlemen visited India in the heyday of the Non-co-operation campaign. They were present in the Nagpur Congress (1921) when the programme of Non-co-operation was finally adopted. They, in the same year, attended the first session of the All-India Trade Union Congress as fraternal delegates from the British Labour Party. Lajpat Rai, an influential Nationalist leader and a personal friend of Col. Wedgwood as well as of Mr. MacDonald, presided over the Trade Union Congress, and dwelt upon the sympathy of the British Labour Party for the cause of Indian self-determination. It is true that, on his return home, Col. Wedgwood expressed himself against the campaign of Non-co-operation, which in those days was a great mass movement fraught with revolutionary possibilities; nevertheless he partially approved of the Nationalist claims, and gave it out that when Labour came to office in Britain these claims would not be overlooked.

Since 1921 the Indian Nationalist movement has gone through an historic period full of exciting events. The attitude of the Labour Party during this period and before it, even in the case of the Amritsar massacre, does not encourage optimism. Neither the programme of the Labour Party nor that of the I.L.P. calls for the application of the doctrine of Self-determination to India. Nevertheless, occasional pronouncements and stray resolutions put forward by individuals and passed in meetings, caused the

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vague notion that a Labour Government would somehow modify the relations of India with the Empire.

During the last year, as the possibility of a Labour Government drew nearer, speculation as to the personality of the Labour Secretary of State for India was rife. Col. Wedgwood was generally looked upon as the candidate. His advent to the India Office was considered to be a foregone conclusion. The surprise of the Indian press was great when Wedgwood was not sent to the India Office by Mr. MacDonald. The choice did not even fall upon the second best man, Mr. Ben Spoor. The appointment of Sir Sydney Olivier was as unpopular in India as it was satisfactory to the British ruling class. On the average Indian, it does not make any impression that the new Indian Secretary is an old Fabian. What forms his judgment is the fact that Sir Sydney is an old member of the Colonial Civil Service, an institution heartily hated and suspected, with ample reason, in India.

Whatever might be his defects, Col. Wedgwood would have been an innovation. For the first time in the history of British domination, the administration of India would have been out of the hands of rank imperialists guided exclusively by the British Civil Service in India, and placed at the disposal of one who had pledged himself, however perfunctorily it might be, to reform the present system. Let it be repeated that there are indeed few among the Indian nationalist leaders who expected that the advent of Col. Wedgwood in the India Office would work a miracle. But in the light of his pronouncements, a certain amount of optimism was natural. Those very pronouncements, which caused a lingering hope in India, deprived the colonel, however, of the coveted job.

Col. Wedgwood represented the pound of flesh which was exacted from the rather too willing Mr. MacDonald by the Shylocks of the Liberal Party. Mr. MacDonald himself must have been also very pleased to be relieved of this compromising burden. Col. Wedgwood had committed himself much more than Mr. MacDonald was willing to go, even had there not been the pressure of the Liberals to contend with. It was a problem for him how to get rid of the much-too-generous colonel. The exigency of placating the Liberals came as a handy excuse; Col. Wedgwood was made a martyr; and the Labour Government, free from all

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pledges, left India to the continued safe-keeping of the "steel frame" of Lloyd George (the Civil Service).

Now, what were the crimes of the gallant colonel? Did he by any chance stand for the freedom of India? Or did he even promise that the highly constitutional and modest demands of the Indian bourgeoisie would be immediately granted? Nothing of the kind. Even as far back as 1921, when the responsibility of office was not in sight, he deprecated Gandhi's movement of passive resistance. So it is simply idle to think that he would insist upon the literal application of the doctrine of self-determination to India. The fact that even he could not be accommodated speaks for the imperialist nature of the so-called Labour Government. His appointment would have created a very good impression in India to begin with; but might have led to eventual difficulties by raising unwarranted hopes.

The message that Mr. MacDonald sent to India upon his accession to office is well known. Any other Prime Minister might have attached his name to such a communication. It was wondered, why did he send such an excessively discouragingly message? There was ample reason; it was to counteract the effects of some statements made by the presumptive Secretary of State for India. If Mr. MacDonald would not disassociate himself with the policy that Col. Wedgwood promised to pursue if he came to the India Office, he could not get that benediction of the British bourgeoisie without which he could not be the Prime Minister of the British Empire. The relegation of the indiscreet Colonel would not alone suffice; the Prime Minister must declare that the views of his discredited lieutenant are not his own.

Speaking before the University Labour Federation on January 12, Col. Wedgwood said:—

> India will prove the test of a Labour Government. The Labour Party hopes to overcome the difficulties by accelerating the conversion of India into a self-governing dominion. This depends not merely on matters of finance, defence and internal order, but on the winning of the Indian Nationalists to meet them half way. . . . The aim of the Labour Party is a British Commonwealth of peoples of various colours and a free union of free peoples.

This was too much for the British bourgeoisie. They could not permit a party with such subversive ideas to be at the helm of

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the country. It would be preposterous. When Mr. MacDonald looked hungrily at the votes of the Liberal minority that controls to-day the most democratic parliament of the world, he was reminded of those indiscreet pronouncements of his colleague. If he would have the good graces of a wing of the bourgeoisie, he must atone for the sins of his less diplomatic followers. He must eat the words of the guileless colonel, and inform his Indian admirers that self-determination is all right when it does not concern the Empire too closely, but when the safety of the British Empire is involved he would not tolerate any " monkey tricks " (to quote his polite words used subsequently in relation to a great power with which he is eager to trade).

It was not only the bourgeoisie at home that Mr. MacDonald had to deal with. There were also the colonial pro-consuls to be reckoned with. Col. Wedgwood's statement enraged the latter, and they clearly said that they did not care a damn what the Labour Government thought or did; they would know how to defend their privileged position. Thus wrote the *Englishman* of Calcutta, the most authoritative semi-official organ:—

> It ought to be obvious to Col. Wedgwood that he cannot accelerate self-government by the mere stroke of an India Office pen. Self-government can only be brought about by a modification or substitution of the Act, and this cannot be done without the consent of the Parliament. But in their present position the Labour Party cannot possibly hope to carry such a measure without the support of the Liberals; and Mr. Lloyd George's followers are not likely to favour any premature speeding up of what their leader described as "an experiment" !

Then the organ of the Colonial lords boldly takes up the challenge, if challenge it was:—

> Should he (Col. Wedgwood) still be disposed to pursue such mischievous tactics, he would have to reckon with the Viceroy. We believe that Lord Reading will act as a very necessary buffer to a too pushful Secretary of State.

So there you are! What can one do while " in office, but not in power "? One must be a practical politician and sacrifice all programmes and principles if they stand in the way of approach to the glories of office. The bourgeois dictatorship at home cannot be got around by means of Parliament, which is the weapon of bourgeois dictatorship; on the other hand, the ruling class will always

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be beyond your power unless you are prepared to pull them down by helping the subject races to rise in revolt. But the British Labour Party, as it is to-day, desires neither the one nor the other. It stands for democracy at home and imperialism abroad.

By rejecting nationalisation and the capital levy, the Labour Government proved its capability to rule at home; while by shaking his mailed fist at India, the ex-pacifist Ramsay MacDonald convinced the British bourgeoisie at home and in the colonies that he can keep the subject races in domination—that he is a Britisher first and Socialist last. Here are some of the choice words which he hurled at the Indian Nationalists who expectantly looked up to him as a man of just principles, and above all as the leader of the British proletariat, who do not have any reason to be attached to the Empire even if their leaders are proud of it.

In the course of his notorious message to India, Mr. MacDonald said :—

> I can see no hope in India if it becomes the arena of a struggle between constitutionalism and revolution. No party in Great Britain will be cowed by threats of force or by policies designed to bring Government to a standstill; and if any sections in India are under the delusion that that is not so, events will very sadly disappoint them. I would urge upon all the best friends of India to come nearer to us rather than stand apart from us, to get at our reason and our goodwill.

The gravity of some of these words is immense. In one sentence he dispels any doubt that might have been created somehow or other concerning the imperial policy of the Labour Party. Instead of giving any indication that, true to his profession of self-determination and democracy, he would in any way modify the present unquestionably irresponsible and autocratic government of India, Mr. MacDonald pledges the Labour Party to the task of suppressing any attempt of the Indian people to free themselves in a way not liked by Mr. MacDonald and his task masters, the British bourgeoisie.

And all this sword-rattling at whom? At the Indian Nationalists, who are strict adherents of the constitutionalism so dear to Mr. MacDonald. He supplements this Curzonian gesture with a gracious demeanour. It is like inviting the dog to eat out of one's hand after having whipped it. Mr. MacDonald throws out a hint to the Indian upper classes that, if they behave, they will be given a

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modest seat in the corner of the great Empire. He bids them to "get at our reason and our goodwill." But he forgets that everybody may not look upon him just as he looks upon himself. Indians can have as much faith in his reason and goodwill as in those of Curzon. To Curzon at least they can concede the credit of consistency to principle, but the same cannot be said of Mr. MacDonald.

Ever since the Labour Government came to office, ample expression has been given to this feeling in the Indian Press. Only a few days ago a nationalist leader of moderate views told in the Legislative Assembly that India questioned the good faith of the new Labour Government. By stepping in the shoes of Curzon Mr. MacDonald has won the good graces of the British bourgeoisie, who are letting him do their dirty job, but events will sadly disappoint him if he believes that he and his colleagues will succeed in establishing Labour Imperialism.

While the message of Mr. MacDonald was the first official pronouncement of the Labour Government policy towards India, it was not the last. The statement of Lord Olivier, as Secretary of State for India, to the House of Lords on February 26 was eagerly awaited by Indian politicians as a final indication of what to expect at the hands of the new "Socialist" government. The fact that this statement had been preceded a week before by an official pronouncement of the National Council of the Independent Labour Party, which declared itself in favour of an immediate revision of the Government of India Act of 1919, subject to Indian advice and consultation, re-kindled the lamp of hope which had been well-nigh extinguished by the Premier's message. Would the India Office reflect the opinion of the I.L.P., and was this opinion an indication of a change of heart on the part of Mr. MacDonald since his accession to office?

Lord Olivier's pronouncement may be taken as the third and final expression of the policy of the Labour Government towards Indian political aspirations. It can only be described as worthy of the best Conservative traditions, and as such merited the considered approval of *The Times*, which characterised the views of the noble lord as "reassuring," "sound" and "deserving of full and emphatic recognition." It is the fate of the Labour Government

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to merit the almost unqualified approval of Conservatives ; this fact may well console them for failure to please in other quarters. The indistinctly-mumbled and confused utterances of his lordship anent the " Swarajis " (a new species of nationalist of whom he had apparently only just learned and that imperfectly) betray, besides a deeply-rooted, dyed-in-the-wool Imperialism, a conscientious and school-boy-like effort to cram an utterly new subject in order to pass an examination. Lord Olivier, besides being a Fabian of scholarly tastes and accomplishments, has been in Civil Service harness in the colonies for many a long year. This fact greatly helped him to cram his subject by a familiar technique, and to pass his examination with flying colours, so far as the safeguarding of the Empire was concerned. After giving a hasty summary of the present causes of unrest in India, the noble lord took his stand with His Majesty's Government on the provisions of the Government of India Act of 1919, to change which for the establishment of full responsible government " would be worse than perilous, would be big with disaster to the people of India." " The programme of Constitutional Democracy . . . was not native to India. . . . It was impossible for the Indian people or Indian politicians to leap at once into the saddle and administer an ideal constitution with all those disastrous religious and other dissensions. The right of British statesmen, public servants, merchants and industrialists to be in India to-day was the fact that they had made the India of to-day, and that no Home Rule or national movement could have been possible in India had it not been for their work."

The Indian people did not require the advent of a Labour Government to hear all these stock arguments of Imperialists, which Conservatives and Liberals have dinned into their ears from time immemorial. Such a speech could have been expected from a Curzon—but it fell instead from the lips of a Fabian Socialist, a " labour lord " raised to the peerage by a party pledged to advance the Indian nation to self-government by the quickest possible route. Coming as it did from such a source, the Die-hard pronouncements of the Secretary of Sate for India fell with more sickening emphasis upon the withering hopes of the Indian people than would have been the case had amother government been in office. The Government of India Act was to run its full course

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unaltered, and "there the matter rested," said his lordship. Unfortunately, he reckons without his host. His lordship's definition of policy was transmitted to India just in time to have its effect upon the Indian Budget Debate in the Legislative Assembly at Delhi. The Swarajists, known vaguely to the India Office as "Swarajis," succeeded in rallying the Independents and Moderates to their support under the stimulus of disappointment and disillusionment, and the Customs estimates for the year were rejected by a vote of sixty-three to fifty-six. The betrayal of India by the Labour Government is tending to throw the people more and more upon their own resources in the struggle for emancipation. The advent of the Labour Party to power means the pricking of the last bubble of faith in British pretensions to "help India on the path to self-government."

If Imperialism triumphs Mr. MacDonald will be pushed into abject ignominy like his German confrères, in spite of the thankless services rendered. The Indian people will be free, just as surely as the British proletariat will outgrow the present leaders. Had Mr. MacDonald followed the policy of killing by kindness, India's struggle for freedom would have been sabotaged by winning over the native bourgeoisie. The attitude of the Labour Government has indirectly helped the cause of Indian freedom, while it has damned the Labour aristocracy and the so-called Socialism of the I.L.P.

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TOWARDS A NEW POLICY.—IV[1]

By ROBERT WILLIAMS

ON re-reading the three signed contributions to the symposium now running in THE LABOUR MONTHLY, I am impressed more than ever that what we want more than any " New Policies " is the patient thorough-going application of the old policies from which we have derived tangible benefits. Most of the various policies advocated as brand new turn out on the most superficial examination to be old and well-worn policies merely re-stated.

I have just received word from an Australian correspondent of an attempt made to register a constitution of the Australian Workers' Union on the lines of the One Big Union. The preamble to the constitution reads almost word for word with the preamble of the I.W.W. :—

> There is a class struggle in society caused by the capitalist class owning the means of production to which the working class must have access in order to live. . . . The interests of these two classes are in constant conflict. There can be no peace as long as want and hunger are found among millions of working people. . . . Between the two classes the struggle must continue until capitalism is abolished.

Then we have the " Objects " : the formation of One Big Union with departments for Mining, Agriculture, Transportation, Manufacture, Building, &c., &c.

Socialist development is hampered rather than assisted by various " short cuts " to the revolution which are advocated from time to time. We all remember the way in which our Socialist movement was influenced by the Minority Report of the Poor Law Commission. The reform of the Poor Law, we were told by many well-meaning Socialists, would mean the break-up of

[1] Previous articles by Messrs. W. H. Hutchinson (of the A.E.U. and Labour Party Excutive), George Hicks (of the Builders and the General Council), and Will Lawther (of the Miners and the Labour Party Executive) appeared earlier this year in the first three numbers of the current volume (January, February, and March, respectively), which can be ordered through any newsagent, or obtained for 7d. each post free from the Publishers of THE LABOUR MONTHLY, 162 Buckingham Palace Road, S.W. 1.

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the capitalist system. The currency cranks never tire of telling us that by the State manipulation of currency and credit we can eradicate most of the evils of the capitalist system. The Single Tax propagandists would have us believe that 20s. in the £ on land values would be even better than the establishment of Socialism. Syndicalism, industrial unionism, or organisation on industrial lines, together with anti-Parliamentarism, were fashionable a few years before the outbreak of the war. Guild Socialism is a more respectable variant of French Syndicalism.

If I were a Bernard Shaw searching for epigrams, I would say that the only short cut to the revolution is the recognition of the fact that there are no short cuts.

The ultra-political school in our movement to-day would have us believe that all would be well if we reposed absolute and implicit confidence in the Labour Government and when that Labour Government has political power as well as political responsibility poverty will be abolished from our midst. I am not so confident that by political action alone we shall be brought nearer to the Co-operative Commonwealth. It must be borne in mind that probably as the result of Snowden's Budget we shall see an appreciable reduction in the taxation of sugar and tea. It must not be forgotten that principally by trade union organisation have we made it possible for the working class of this country and other countries to drink tea at all and to add a little sugar and milk thereto.

Trade union organisation must remain the workers' first line of defence, and, where necessary, of attack upon the stronghold of capitalism. That is not to say that we must not increasingly urge upon every member of the working-class movement the desirability of complete working-class political solidarity. Like those of my colleagues who have made contributions to the present symposium, I felt humiliated as the result of the public debates which took place during the Plymouth Trades Union Congress. Inter-union disputes, demarkation quarrels and personal recrimination touched the lowest level within my memory of Congress proceedings. Since then, many of us have discussed what methods can be adopted in order to make solidarity something more than a phrase.

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I am one of those who would willingly give to the General Council infinitely more power than they possess at present, but, if we are to give the General Council power to come to the assistance of organisations in dispute, the Council must have the responsibility of considering and even sanctioning disputes before they take place. I well remember the discussions which followed the proposal of the General Council itself to create a kind of General Staff to co-ordinate and conduct the policy of the industrial side of the movement. This took place at the 1922 Congress, and it will be well to keep in mind some of the facts and circumstances showing the unwillingness of the various affiliated unions to trust implicitly the General Council they themselves have appointed. The resolution was moved by Swales, of the A.E.U., in the name of the General Council itself, and is of course too long to be quoted here. One would have reason to suppose that Mr. Swales would have been in touch with his own organisation before assuming responsibility for moving the resolution, yet we find that the resolution was opposed by a delegate from the A.E.U. itself! Another member of the General Council, Robert Smillie, stood—at least apparently—as sponsor for the resolution, but we find that Mr. Frank Hodges in the name of the Miners' Federation, moved the rejection. Mr. Thorne was also a sponsor of the resolution as a member of the General Council, but the President of his organisation, Mr. J. R. Clynes, opposed it. Messrs. Tillett and Gosling were sponsors likewise, but the General Secretary of the Transport and General Workers' Union, Mr. Bevin, damned the resolution with faint praise, and asked the Council to take it back for reconsideration.

The fact that the unions are unduly jealous of their rights need not dismay us or deter us from our efforts to create a General Staff for industrial purposes. There is grave need inside the trade union movement for more effective industrial grouping and the tendency towards industrial unionism should be encouraged. Industrial unionism, however, must not under-estimate the interests of the various sections employed in any given industry.

I find myself in substantial agreement with Mr. George Hicks when he asks us point-blank what exactly we are out for in the present juncture. Are we out for the gradual supersession of the present capitalist system by securing an ever-increasing share of the

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wealth our labour undeniably produces? Or are we to make that system inoperative by strikes, sabotage, diminishing productivity, &c., until it crumbles about our very ears? If our answer to the latter question be Yes, we shall find ourselves instantly repudiated by the overwhelming majority—writing with some knowledge of the movement, I have no shadow of a doubt about that. It is all very well in the peroration of a passionate speech to call for the destruction of the capitalist system, but before every Executive Committee or Delegate Conference of a union which I have attended the representatives call for wage increases and improved conditions inside the present state of society. The attitude of mind which I find preponderant in our movement is summed up in a paraphrase of Shakespeare: "Better to bear the ills we have"—with constant attempts to improve—"than fly to others we know not of."

I have never subscribed to the theory that Socialism would come as a result of the increasing misery of the masses. All the headway we have made in this country comes as a direct result of practice as well as precept. Militancy in propaganda, in organisation, in policy, are to-day more essential than ever. Only recently a wealthy shipowner asked a colleague of mine: "Why is it your friend Williams will make those wild-cat speeches on the platform while he is so able in conducting negotiations at the conference table?" I replied by saying: "Convey my compliments to the gentleman, and say that perhaps a few more wild-cat speeches would bring a little more success at the conference table."

I return to my opening sentence; we can make far-reaching progress by adhering to that policy and those measures upon which our movement has been built. We must undertake all action which will develop the well-informed militancy of the masses. We must work towards an ever-improving standard of life even at the risk of stabilising capitalism. We must make more and more manifest the implications of International Working-class Solidarity. (It remains true that those sections of the British working class least exposed to foreign competition are better paid than the sections most prejudiced by the competition of continental labour paid on the coolie level.) We must bring about more amalgamations on industrial lines; keep closely in touch with the quickening influences of rank-and-file thought as expressed through the

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Trades Councils ; give unemployed organisations representation on national and local Labour bodies. Be as obstinate in sticking to Revolutionary Socialism as Lenin and his co-exiles were in adhering to the policy of the Bolshevist section of the Russian Socialist Party. Be as steadfast to the underlying principles of working-class policy in this country as have been, say, George Lansbury and Tom Mann. Give up searching for new methods merely because they are new, and—above all—let us cease our eternal recrimination.

(*The Chairman of the General Council of the Trades Union Congress, Mr. A. A. Purcell, M.P., will contribute the next article to this series in the May issue of* THE LABOUR MONTHLY.)

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THE BUDGET OF ILLUSION

By T. H. WINTRINGHAM

WHATEVER may be the provisions of Mr. Snowden's first Budget, it will not represent in any direct way the real position of the finances of British capitalism in 1924. In fact, it will not represent anything real. No British Budget since 1918 has represented accurately the finances of the capitalist State, still less those of capitalism as a whole.

First, every Budget since the war has been advertised as balancing. None have actually balanced without the sale of Government property. The State has been living on its capital, a process that has almost reached its limit.

Over £650,000,000 worth of war stores have been sold during the past five years, and yet the dead weight of the National Debt is higher now than at the end of the war. (March 31, 1919, showed £7,435,000,000 outstanding, and March 31, 1924, will show £7,772,000,000.)

Much of this increase in the National Debt is due to refunding, with lowered rates of interest, but the fact remains that every year since 1919, war stores' sales apart, the State has shown an average deficit of some £170,000,000 !

War stocks are almost ended. That some still exist is one reason why the Budget will be unreal. An estimate will be made for miscellaneous receipts (in 1920-21 amounting to £313,000,000) which will represent the pawning of property—and the losing of the ticket.

A second reason is that it is impossible to estimate the way in which the slump has decreased incomes. Property and income tax receipts (which at the peak of the boom brought in nearly £400,000,000) have been falling steadily. Last year's income tax was estimated on 1920 as well as on the two following years—and 1920 was a year that spawned millionaires. This year the taxes will be paid on the incomes of the slump. It is safe to say that the Treasury (which has under-estimated income tax

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receipts hitherto) will be found in a year's time to have over-estimated them for this year. Outside industrial circles there is no general realisation of what the slump has meant, and the estimates are necessarily to some extent guess work.

The most important factors which make it certain that this is to be a Budget of illusion are not, however, connected with the actual finances of the State. It is the revolt of the industrialists against taxation that threatens the Labour Government with an increasing and in the end irresistible pressure. It is, in the last account, the revolt of the organised workers against further wage cuts which makes it impossible for British capitalism to go on as it is at present—stabilised, but stabilised on under-production and needing continually heavier tribute from the working classes if it is to continue to function.

During the boom taxation was borne, not without protest, but without revolt. Since the slump, revolt has been growing.

The Federation of British Industries, treated by many Socialist propagandists as an organisation solely for combating the trade unions, is also an organisation for bringing pressure to bear on Governments and political parties, in order to secure a lessening of taxation—and in order to force on the State the financial policy desired by the industrialists. And this Federation has grown in power and importance since its formation.

The first essay of the F.B.I. in State finance was the economy campaign. The Geddes axe is almost forgotten now. But it filled the headlines once, and it did actually accomplish something. It was blunted in the end against the bed-rock needs of "tranquillity." It could not solve the problem; there were so many heads of expenditure that it could not lop at all.

The F.B.I. next raised a hue and cry against the proposed payment of British debt to America on America's terms. That failed.

Then came a period of indecision and slow decay. Industry was stagnant still. Under-production was chronic in almost every trade. Britain's production as a whole, during 1923, was estimated by the *Westminster Bank Review* as only 88 per cent. of 1913. (And productive capacity had been so increased by the war and post-war expansion that it is safe to estimate

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production as less than 70 per cent. of the possible. Productive capacity for steel, to quote one example, is 150 per cent. of 1913.) Over 10 per cent. of the available labour-power was unemployed, and a large proportion under-employed. The local authorities in industrial centres slipped deeper and deeper into bankruptcy. The National Debt, despite all Sinking Funds, increased again. (It had fallen from £7,831,000,000 on March 31, 1920, to £7,585,000,000 at the end of the next financial year. Since then it has increased by £187,000,000.) Services like education were cut down below the limits of capitalist efficiency, and the air force far below the limits of imperialist "security." Wages went down, down, down, until in the spring and summer of last year the builders, farmworkers, and dockers began the inevitable revolt—that is now progressing at the rate of one national strike crisis per month. And still the dreams of a revival of trade were not fulfilled.

That is the picture British capitalism had to face during 1923, here at home. Abroad there were clouds as heavy.

The wiping out of the Ruhr industries as competitors ran almost level with the wiping out of the German nation as a market. Some little relief there was; but before six months had passed the slow ache of decay was numbing industry again.

Autumn came, and behind autumn loomed winter. And statesmen, financiers, and industrialists could not face another winter of tranquillity.

Britain seemed, that autumn, a grey pool parching slowly, until the festering unquiet masses of parasitic life were all that could be seen. With the drying of the pool and the slow dying off of all the healthy living things there came a blind fear of the future and a blind desperate stir towards escape. Sucking bindweed put out tentacles to the new virgin pools linked with their own; marsh grass and fungus edged in towards the last springs of water, threatening to block them and thus dry the pool completely . . .

In other words, Protection and Empire Development on the one hand, and Inflation on the other, were the only remedies men could see. On the one hand there was movement and planning at the Colonial Office, and statesmen came to conference. On

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the other the Federation of British Industries demanded first the extension of the Trades Facilities scheme, then the " anticipation " of all Government work—building of cruisers for " replacement " years before the old ones wore out, &c.—hastening of railway reconstruction programmes, and credits for all these things, always credits, the extension of credits. The F.B.I. replied indignantly when accused of favouring inflation that all they desired was the stimulation of industry. " Credits for production would not lead to inflation; they would soon be absorbed by industry and would scarcely increase prices at all."

The F.B.I. having spoken, the great Liberal Party obeyed. They demand wide schemes of national development and a "bold and courageous use of the national credit." The Labour Party demanded, and promised, much wider schemes of national development, and believed it could pay for them all by writing off enough war debt to save £150,000,000 in interest. And inflation began to be more and more discussed in the leading organs of the Labour Press.

The bankers spoke solemnly against inflation; the example of Germany was very vivid in men's minds. The word itself was avoided by all the advocates of the thing. But the advocates of Protection and Empire Development were in no better case; they were dubious of their own arguments and only half-believed that tariffs and emigration could recreate industry.

The election came, and both plans have suffered defeat. But while Protection is dead and damned, Inflation is only shelved. In this deadlock the Budget of Illusion is being prepared.

Mr. MacDonald has foresworn reconstruction by loan—for Britain at any rate. And being "Conservative of the Conservatives" in financial policy, he has announced his intention of standing by the Cunliffe Committee's policy. (Moderate Tories in finance believe that this Committee went too harshly towards deflation and helped to accentuate the slump.) But it does not need hard digging to find proofs of what the Labour " intelligentsia " are thinking.

At the end of last September J. A. Hobson wrote in the *New Leader* :—

> Easier and cheaper credit, and all effective methods for steadying and stabilising prices, work in the right direction.

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In the same issue of the same paper another writer laid it down that, in order to end unemployment :—

> The immediate step is for the Government to persuade or compel the Bank of England . . . to use its vast powers to stimulate a revival of trade by reducing the bank rate and encouraging the expansion of credit.

Next month the Editor of the *New Leader* found a different formula for the problem :—

> Assuredly our policy is stabilisation and not inflation . . . (But) what level of prices shall we seek to stabilise? At present we incline, on account of the debt, to answer "at a somewhat higher level."—*New Leader* (19.10.23).

"Stabilising at a higher price level" means, of course, that a small amount of inflation should be indulged in first. The old excuse is implied: "Please, it is only a very little one." Mr. Brailsford became so enamoured of this idea that he actually persuaded himself (and proclaimed to a politely incredulous world) that if the Government would only borrow £10,000 on Ways and Means Advances and use it to stimulate industry, unemployment would rapidly be solved!

Later he saw the alternatives as the capital levy or inflation, and wrote :—

> We object to the inequitable method of an ungraduated levy by inflation. But . . . if the City, with the Liberal Party behind it, opposes its veto on the levy, then the other method is open to us. It is easy . . . It would stimulate employment. It could be enforced by administrative action alone. Very reasonably, very persuasively, let us offer the City its choice.—*New Leader* (21.12.23).

The offer still stands, and in its good time the City will choose —inflation.

The leaders of the Scottish I.L.P., who represent all that is real in the left wing of the Labour Party and speak through the Glasgow *Forward*, adopted inflation wholeheartedly, if a little late. John Wheatley said, on January 27, 1924:—

> If it is good sound national policy to talk about giving credits to Germans and Russians, in order to find work for our people, then surely a way might present itself, when the position is explored, to apply the principle of the Trade Facilities Act to the working classes of this country, and thus enable them to produce those necessaries of life for which they clamour.

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"Applying the principles of the Trade Facilities Act to the worker" means, we suppose, giving them loans. In any case the itch for inflation and a revival of industry is clear.

And Arthur Kitson, secretary of the Bankers' Reform League, Sir Leo Chiozza Money and others, who are scarcely "wild men from the Clyde," have been given a great deal of space in *Forward* for direct or indirect advocacy of inflation.

As against Brailsford and Wheatley, the only opponent of inflation in the Labour Press—except, of course, for formal denunciations with which even its most energetic advocates cover their tracks—has been Mr. Hugh Dalton, of the London School of Economics.

So much for the Labour Movement. Let us glance for a moment at the bankers.

The *Financial Times* distinguishes between two kinds of inflation. It calls the indiscriminate use of the printing press, and Government borrowing, "monetary inflation." Inflation by an increase in the piling of bank credits one upon the other, in order to stimulate industry, is something quite different according to this view.

> A cessation of monetary inflation, followed by an expansion of credit for productive purposes, even though the latter entails, as it always must, a passing rise in the price level, is greatly to be desired in the interests of trade generally.—*Financial Times* leading article (8.12.23).

This distinction is taken from an important article in the *Midland Bank Review*, the organ of Mr. Reginald McKenna. "Productive inflation" is, in this article, the name given to the extension of credits by banks to industry, and it is explained that

> Inflation of this character was before the war a natural and universally accepted incident of improving trade.

Actually this distinction is unreal: the effects of inflation on the capitalist system as a whole, and on the workers, will be the same in both cases. Stabilisation of the pound sterling is demanded by this joint stock bank's organ, but at "a ratio below the old mint par." Mr. Brailsford's formula, in fact.

This formula is worth examination. It is easy to see that industrialists—and Mr. McKenna is mainly a political and

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banking agent of the industrialists—would desire that the stimulating effects of inflation should be reserved to themselves, and not wasted upon the finances of the State. But are they within an arm's length of the facts when they claim that such inflation is normal, its effects passing and unimportant, and the whole process easy?

First of all, it is not easy. The Bank of England lowered the bank rate during 1922. In July, 1923, they returned to the present rate. The *Westminster Gazette* explains the return as follows:—

> Probably the underlying reason for making this change was a desire on the part of the directors of the Bank of England to stem the tide of speculation, which had been growing under the conditions of cheap money which had been in force for twelve months.

In this case, then, cheaper credits only led to more speculation.

And the chairman of Lloyd's Bank, in his annual review of finance and industry, complained rather pitifully that they were doing all they could:—

> Hardly a board meeting passes, when we are considering an application for an advance which comes near the borderline of what is desirable and what is doubtful, that someone does not say, "We want more advances; let him have the benefit of the doubt."

The primitive method of printing money as required is of course perfectly easy. Its more civilised counterpart, the issuing of loans, is also easy. Inflation by a real widening of credit facilities is difficult because it implies an increase in the grip which the banks have over industry.

Unless industry gives the banks more guarantees, more say in the conduct of affairs, the banks are not safe in starting to extend credits widely. It is the bankers' policy during slumps to bankrupt and gain a hold upon industry as far as they can. Then when they have wide powers of control over smaller firms, and their own directors on the boards of the larger ones, they can begin to let things go a bit.

It is a matter for struggle, and in the end for a bargain between bankers and industrialists. Before that bargain is made the banks cannot inflate; afterwards they will find the "borderline between what is desirable and what is doubtful" pushed far ahead, giving them scope to advance credit piled on credit.

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That struggle is going on now; the bargain is still to be struck. But how near we are to the beginnings of inflation is shown by the impression circulating among acute observers that, under pressure from the Treasury and the Bank of England, the process has actually already begun.

The City Editor of the *Manchester Guardian* wrote, on March 4:—

> To explain the firmness of the investment market . . . one must look for other causes. . . . The development of an abundance of credit (on the short loan market) . . . has upset all calculations. . . . It is difficult to avoid the conclusion that the ease of the money market is, so to speak, artificial and calculated. At a time when the demand for trade credit from the banks is increasing . . . a fall in interest rates is unnatural and could hardly occur save under the present monetary conditions, which enable the Bank of England and the Treasury, if they so desire, to stem or even to reverse for a time the economic tide.

On March 8 the same critic noted an increase in advances from the banks to industry "to a figure higher than any recorded since November, 1921." From this and other facts he draws the definite conclusion that "*the 'vicious spiral' of higher prices, higher wages, still higher prices, still higher wages is being entered upon.*"

And that "spiral" is, of course, the gay path of inflation.

For the workers, inflation means a continual desperate struggle to raise wages to within sight of soaring prices. It means the bankruptcy of their organisations through the depreciation of their funds. It means in the end wages that are worth nothing four days after payment, a day's work for the price of three loaves, and all the horrors of famine and misery that the workers of Germany have gone through.

That is where Mr. Brailsford's bright idea—one cannot call it a policy—of "just a little inflation" must inevitably lead. For inflation is a drug of which always larger and larger doses must be taken if an overwhelming reaction is to be avoided.

Inflation must be taken as a definite Liberal-Labour policy, which is perhaps already in operation. But it is not too late for the Labour Movement to take a hand in the game and put a stop to the policy of surrender to the F.B.I.

In Mr. Snowden's Budget we already know the expenditure

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side. It is to be £785,000,000. Mr. Baldwin's Budget of 1923-24 is actually bringing in some £835 millions. But part of this must be written off, for 1924-25, because in Mr. Baldwin's Budget there were several tax reductions which only come into full effect this year. These are estimated at £23,000,000 (*Manchester Guardian*, March 6, 1924). Then, in his Budget speech last year, Mr. Baldwin estimated that decrease in revenue in 1924-25, from exhaustion of war stocks and the slump's effect on incomes, "could hardly be less than £50,000,000."

If Mr. Baldwin is correct, then *all the Baldwin taxes must be maintained* if Mr. Snowden's Budget is to bring in a sum which will be £73,000,000 *less* than last year—and which will leave a deficit of over £20,000,000.

From the Budget of 1923-24 there is a surplus, more likely to be about £18,000,000 than the *Daily Herald's* cheerful promise of £67,000,000. Mr. Philips Price, in an article in the present number of THE LABOUR MONTHLY, suggests that the Labour Movement should fight for the application of this surplus to the needs of the workers. But what of the coming year's deficit?

The Labour Government is pledged to widows' pensions, a start with housing, the relief of the unemployed, the reduction of certain taxes. If provision is to be made for these on any adequate scale the deficit will be increased hugely. Inflation seems to be the only way out, for Mr. Snowden certainly dare not increase taxation.

But is inflation the only way out? Is it necessary that this should be a Budget of Illusion, to be followed by disillusion as terrible as that which has overtaken the workers of Germany?

There is an alternative. It is one that has been advocated by all branches of the Labour Movement.

Mr. Brailsford, for example, whom we have shown as an inflationist, wrote in the *New Leader* for November 16, 1923:—

> Our real demand, our main battle is . . . we must master this obscure money power which lords it over the modern world.

Before this, a writer in *Forward* had said:—

> Banking methods are, more than anything else, responsible for unemployment . . . The banks must be nationalised.

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After the election, John Wheatley wrote:—

> I could understand a Labour Government being formed to promote a bold Socialist policy. . . . *Such a policy would include national control of the banking system as part of the first Budget.* (15.12.23.)

Even the admitted reactionaries of the Labour Movement have put the nationalisation of the banks in the forefront of a Labour Government's immediate tasks. Mr. William Graham wrote in *Forward* for January 5, 1924, under the heading "If Labour Takes Office":—

> Many believe that it would be better to make the financial system, now largely a trust, a public and democratic concern. It is the foundation of much activity, and with Labour always it should be first things first.

State control of the banks would act simply, immediately, and directly to the relief of unemployment by transferring credits from non-productive and luxury trades to those producing necessaries—in which, on an average, far more labour is needed. In industries where the capital is badly watered, credits could be withheld until the "water" was squeezed out. The industrialists would fight this; but it is not the business of a Labour Government to support industrialists' policy at the expense of the workers.

"Part of the first Budget," wrote Wheatley. An essential part, if it is to be a Budget based on working-class policy.

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THE CRISIS IN THE MINING INDUSTRY

By A. J. COOK

(Member of the Executive Committee of the Miners' Federation of Great Britain)

IN 1921, after one of the greatest struggles in the history of Trade Unionism, the miners were defeated. For four months they displayed a spirit of solidarity unequalled in any movement. The Triple Alliance failed to function. As a result of the defeat terms were forced on the men that produced conditions of poverty and slavery. Our " Mighty Organisation," the pride of the Trade Union Movement, was shattered. The coal owners true to tradition imposed such tyrannous conditions that despondency spread like a disease, infecting most of the leaders as well as the men. The suffering of the men became intolerable. Some of the old leaders, having very little knowledge of national or international economics, and believing the masters would yield to a human appeal, pinned their faith in an appeal to the coal owners begging for fair-play and fair conditions.

For over two years numerous meetings with the masters and Cabinet Ministers took place, but the appeal for a living wage fell on deaf ears. Accidents have increased at an alarming rate since resumption of work after the 1921 lock-out. (See the Report of the Government Inspector of Mines.) Safety was neglected—low wages and increased accidents go together.

In South Wales and Lancashire, aggressive action was suggested —the rank and file had reached the limit of endurance. Realising that the principles of the 1921 profit-sharing agreement exploited the miners and failed to give them a living wage, the rank and file demanded the agreement be ended. " We are starving while working, just as well starve without work," say the miners. An industry that cannot provide a living wage for its workers should close down ; " private ownership has failed."

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For over two years the leaders pleaded, but every suggestion was met with a negative reply. The owners would not listen to reason.

No other course was open but to give notice to terminate the agreement. A ballot was taken and the rank and file in every district declared that *the Agreement must go*. On January 17, three months' notice was handed to the employers. For several weeks even then our case was ignored, but the spirit of revolt spread. The successful struggle of the railwaymen and dockers put new life in our men.

The Executive Committee of the M.F.G.B. prepared for action and demanded that the owners should state their proposals. What a change !—suddenly, owners, Government and public became alarmed. At last attention was drawn to our conditions. On March 6 the same men, who for two years treated us with contempt, were now prepared to consider our case. Organised might had compelled the owners to move. It is a lesson that we shall not forget. Terms were offered that meant a small improvement in our conditions, but did not bring us anywhere near 1914 conditions, taking into consideration the increase of the cost of living. On March 13, the adjourned conference met and considered the proposals ; it reassembled on the 14th and unanimously rejected the terms of the owners.

Having forty-nine mining members in the House of Commons, it was decided some time ago to introduce a Minimum Wage Bill to bring the miners' wages up to a living standard. Every attempt possible to obstruct the introduction of the Minimum Wage Bill was made by the owners. They approached their Liberal and Tory friends, and succeeded in making the Government take the private members' time, hoping to stop the Bill going forward, but to their surprise the Government agreed to accept the Bill as their own measure thus making it a Government Bill. In one week both a political and an industrial crisis arose. The miners are determined, come what may, to secure a living wage and some clear understandable agreement to govern wages and conditions in the future.

The great Miners' Federation has been re-organised ready for the fight.

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The miners and the consumers are being exploited. More is charged to take coal from the pit top to the consumer than the total costs of production—including rents, royalties, profits and all the whole costs.

There is need for an immediate inquiry. The miners' demands can be conceded without an extra penny per ton being charged to the consumer. The Secretary for Mines (Mr. Shinwell) has again called us together to continue negotiations. Whatever industrial settlement is arrived at, with or without a strike, there is need of a new Minimum Wage Bill, to bring the 1912 Act up-to-date. After this struggle is over, a full inquiry is necessary into the waste and inefficiency in the mining industry. Millions of tons of coal are wasted in the mines, beside increasing the danger.

It is the duty of the Government and the public to demand a full inquiry.

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ECONOMIC POWER SHIFTS TO TRANSPORT

By J. T. WALTON NEWBOLD

DURING the war and, particularly, after the terrific bombardments around Verdun and elsewhere on the Western Front had made the maximum output of shells and artillery of the greatest importance, we became conscious in this country, as in the United States and France, of the enormous influence which the heavy industries had come to exert within the capitalist system of production.

Gradually, it dawned upon us how the engineering, shipbuilding, and iron and steel trades had encroached upon the domination of the industries making consumption commodities, and how the magnates in these trades were displacing the merchants, the bankers and the manufacturers of classic capitalism in the control of economic and political power.

The study of armament rivalry in the whole of Europe during the generation preceding the war, the struggle for railway constructional concessions, which had occasioned the trouble in the Balkans, and the all importance of the Lorraine-Luxemburg ore-fields, which the holocaust of Verdun brought so vividly home to us, showed what a tremendous part the production of iron and steel, and articles fabricated therefrom, had in the development of imperialism, the last phase of capitalism.

Since the railways consonant with the needs of the more technically advanced countries had been built, the great plants, in which had been permanently embodied a very large volume of constant capital mainly to provide the material for these railways, had need of new outlets for their production and commenced a bitter rivalry for an ever less and less profitable market, a rivalry which led to the railway and armament expansion characteristic of modern imperialism.

The exhaustion or absence of ores indispensable to the production of the best steel and the strictly limited supplies of oil fuel

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known to exist led to a fierce contest between the great States to monopolise iron-fields and petroleum deposits.

The technical organisation of mining, metallurgical and heavy machine industry favoured the use of vast capital and the growth of the combine. The mining and metallurgical branches of industry were particularly closely allied in many cases with the older governing class that had got into banking and from banking into railways and land. The landed magnate developed his mineral properties, erecting blast furnaces and, like the Duke of Devonshire in Furness and the Marquis de Wendel in Lorraine, came half way to meet the engineering employer who was making his own steel and putting down his own iron-works. A whole series of factors, social, political and economic, favoured the alliance of the State and the mining and metallurgical industries and helped to stimulate their growth in economic power disproportionately to other branches of industry.

In the United States the great development of railways, necessitated by the vast area of the country and made possible by the rapid inflow of West European capital, led to the gigantic production of iron and steel which Morgan syndicated and came to share with Standard Oil.

In Great Britain, the maintenance of naval power and the immense expansion of the merchant marine made the heavy engineering and shipbuilding industries very influential, just as, within them, the South Wales monopoly of best steam coal and the huge export of coal and coke from and import of timber to the coalfields of the North East Coast and South Yorkshire made the coal exporters a very strong force.

The pioneer producers of railway material, especially in Durham, Sheffield, Manchester and Glasgow, linked coal and textile capitalist re-investment with iron and steel, with shipbuilding, marine engineering and naval construction in an historic sequence that, between 1890 and 1910, conquered economic power for the coal, iron and steel interests.

The history of Lloyd George is the history of the conquest of real political power by these elements within British industrialism.

Millerand and, to some extent, Viviani and Poincaré are the political creatures of a somewhat similar development in France.

But, just as the politicians of the phase of capitalism are suffer-

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ing eclipse, so are the economic forces which thrust them into the places of their Liberal predecessors being dissipated by other tendencies.

Particularly have the engineering and shipbuilding interests suffered since the stoppage of demand for munitions, since the replacement of tonnage sunk by submarines, and now that the reconstruction and repair of war damage and wear-and-tear have proved inadequate to employ the stupendous increase in productive capacity of the war-bloated machine-shops.

Those who have sunk their capital and their capitalised profits in big installations of machine tools, in dozens and scores of "bays" of new engineering shops, in new berths and cranes and dockyard equipments, find themselves in possession of unrealisable assets which must be written down and down and down. They might, had it not been that by the transfer of stocks and shares they have been able to hand their properties over to guileless shareholders, as well have paid over in Excess Profits Duty the gains of prosperity as expended them in what is now "scrap."

In France, Schneider-Creusôt; in America, the Bethlehem Company; in this country, Vickers & Armstrong Whitworth, except for the relief drawn from enormous hidden reserves, would have been in desperate straits. Some of these firms are mere shadows of their former selves.

If so few big shipbuilding and engineering concerns have collapsed it is only because they are braced together, owned or controlled by and supported by shipping combines, banks, investment houses, international financial groups, and that they have forfeited almost every title to independence except the names under which they are registered.

The disadvantage under which the finishing branches of heavy industry labour is that not only is the demand for their specialities now reduced to a minimum, but that they cannot turn their equipment to other uses or realise it except at a fearful sacrifice.

The producers of coal, iron and steel are more favourably placed. They can turn out the raw material of many finishing trades. Their equipment is more adaptable. Much of it can be realised more easily or, if put on stop, does not have to bear such heavy standing charges.

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The capitalists in the engineering and shipbuilding industries had, when skilled labour was scarce, to increase out of all proportion the ratio of their constant to their variable capital. Not so the capitalists in the coal, iron and steel industries. They could achieve a greater output without permanently immobilising so large a ratio of capital.

For all these reasons, the owners of mines, coke-ovens, blast furnaces and steel works have not only continued, if on a reduced scale, to make profits, but have strengthened their position relative to other interests within the heavy industries.

Baldwin and Stinnes have fared better than the Pirries and Krupps. In France, the Laurents and the Aciéries de la Marine have not suffered so much as the Schneiders of Le Creusôt.

But with the prolongation of the industrial crisis even these interests have found the strain too severe. They, too, have been driven to rely upon credits from the banks and so to forfeit their independence. Their capacity to produce has gone ahead of the market's capacity to absorb their output. There are said to be 100 blast furnaces too many in Europe.

Not only has the armaments demand fallen off and the requirements of the shipbuilders dropped lower and lower, but the railways have not made the calls upon the iron and steel interests that were confidently expected.

Where the railway companies have placed heavy contracts they have waited long enough, as in the United States and this country, to do so at very low prices. In both countries, the railway interest has regained in large measure the influence which, during a decade, it had been losing to the heavy industry.

It is interesting to observe alike in Britain, France and the United States, where private ownership of the railways has been the rule, that either the railway companies as such or else big railway capitalists have built up in their earlier stages many of the great iron and steel companies. In America, the Pennsylvania Railway ; in France, the P.L.M. and the railways of the Nord and Est; and, in this country, the interests in the North Eastern, Midland, Great Western and Great Northern companies played a very considerable part in opening up coal fields and developing the steel industry. In the course of time, the creations came to grips

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with their creators. They emancipated themselves from financial tutelage. Native industrial capital in America aspired to financial mastery. In France, the Comité des Forges loomed more impressive than the railways and their central organisation. In this country, the colliery and steel magnates established themselves on the railway boards as in the banks.

This tendency has now been reversed. Tertile and mercantile interests are not resuming their old pre-eminence. Power has passed to the transport interests and, allied with them and supporting and controlling them, the banks and the insurance companies.

In these days of continued depression economic power and, in the sequence, political power are passing to those financiers whose capital is in the most negotiable forms, in assets that are liquid, in materials in general and continuous demand. Such, of course, are transport services. There may be, there has been, a big falling-off in traffic, but as long as capitalist economy or modern highly organised social relations continue the railways and the steamships, the docks and the warehouses, the gas and power plants and the road transport services cannot be dispensed with.

Capitalism, whose basis is the circulation of commodities, is dependent more and more—and, at present, relatively more than ever—on one industry, that of transport.

Transport ought to be over-hauled, its branches co-ordinated technically as well as financially—a process which has gone far; the internal combustion engine should replace the coal; and oil-burning heat-raising furnaces of merchant shipping; electrification of railways should be put in hand forthwith. Technically, the hour has come for these improvements. The organisation of industry has reached that stage when the whole transport systems of one country or of one continent could be co-ordinated. The world waits, however, for two things. It waits for political stability within and between States and it waits for a recovery of commercial intercourse that will recoup the expenditure of tens and hundreds of millions of pounds on extensions and improvements of land and sea traffic facilities.

The great armament and other engineering firms have got ready, in some measure, here and in France to undertake vast projects of electrification. The iron and steel interests have had

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hopes of contracts for the material. But nothing comes of their dreams.

The railway and shipping interests and, behind them, the credit houses, not too happy themselves, continue, however, to increase their relative strength.

The next phase in the struggle for the domination of Central Europe will witness transport take the place of coal and steel as the main factor in the problem.

The iron of Lorraine and the coal of the Ruhr will not be permitted to enter into an alliance that will make them supreme on the Continent of Europe. The industry which carries one to the other and brings the product to the market is the industry with which they must now contend.

The Reparations Settlement will not be based on a deal between the Comité des Forges and the Ruhr industrialists with or without the adherence in some way of British and other coal and steel interests. No more than Schneider and the Union Bank of Paris were permitted to foreclose on the succession States and Poland through the European Industrial and Financial Union will the larger French and German combine be permitted to syndicate the industrial resources of the North of France, Belgium and the Lower Rhine. The transport octopus will thrust it tentacles amidst and part their undertakings on the Rhine just as it did on the Danube.

The Commission of Experts have been duly impressed with two aspects of German capital. First, the "impossibility" of locating its foreign hiding-places. Second, the great expenditure of the Germans on railways, canals and telephones. They have discovered a part of the assets, viz., the means of transport.

These assets will now have to be pledged as security for a loan to be made to the German State in order to enable it to pay a reasonable sum in settlement of the Reparations account. The German railways and navigable waterways, telegraphs and telephones will be transferred to private enterprise in the guise of a syndicate dominated by the traffic trusts.

We shall see the group, in the centre of which is the Cie International des Wagons-Lits et des Grandes Expresses Européennes, and in which the Canadian Pacific Railway, the Pullman

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Company, Furness, Withy & Co., the Peninsular and Oriental S.S. Co., the London & North Eastern and Southern Railways and the great French railways all have a finger (or a fist) taking over not merely the through *services de luxe*, and dock and warehouse accommodation at certain big ports, but the whole railway, river, canal and communication systems of Europe.

Furness Withy are already on the Rhine and the Danube. Their financial allies, the allies of their subsidiary steel interests, the Kleinworts, are working with Krupps who are working against Stinnes. Furness Withy and Vickers are, generally, together, and Vickers are in Holland and Baden and Switzerland and Poland.

Lloyd's Bank, the Westminster Bank, Lazards and others are all fluttering down quite openly to partake of the pickings of Germany. Barclay's Bank is already there. In Austria and Czecho-Slovakia, the Bank of England and Glyn, Mills, Currie and Holt are established in two banks wherein Sir Henry Strakosch, of the League of Nations, also participates. The Marconi house is deeply dug into the finance of Hungary. The banks, the steamship houses and the railway companies are all gathering around. Here and there, in the Cie des Wagons Lits and in the shipping world, there are raucous cries and obscure scuffles as the French vultures fall out with the British or the British with the Americans.

But what is to be noted is that it is another group of interests, or a group wherein the incidence of economic power is quite different, that has now to be watched. We have looked quite long enough at the steel kings and the coal magnates. Let as watch now the railway magnates, the shipping lords and the bank directors.

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THE BLACK LANDS

BY SCOTT NEARING

STRETCHING away endlessly, their silt-beds darkening the landscape, lie the black lands of Southern Illinois. Rich and fertile are these lands, for they will produce abundant crops of wheat and corn, but richer still because at three or four hundred feet beneath the surface there are veins of bituminous coal that, in places, are more than twenty feet in thickness. Where these veins are at their best, the farmer gives place to the miner, and the ploughed fields to the shacks and rambling streets of a mining village.

We wind into the village on a slow moving train that makes two trips each day to the neighbouring junction point, carrying some passengers but more coal. It is raining, and the brick station is awash with mist. We step from the cars directly into sticky, inky mud, and from that moment until we board the train again our feet are never free from it. There are sidewalks, but the unpaved streets are quagmires.

Our business takes us across the tracks, past rows of one-story houses to a company house, built in one solid block, with rows of doors opening off a common porch. There are twelve of these doors on the first story, and another twelve on the second story, where there is another porch, reached by a steep staircase.

We climb the stairs, approach a door, and knock. A dog, lying across the threshold, barks, and the other dogs on the porch answer. A woman comes to the door—a Bohemian. Her hair is combed tight down. Her calico dress is clean. She speaks no English, but with a wave of her hand, she bids us enter her dwelling.

There is a stove in the main room, a bureau, a sewing machine, a table, and two wooden chairs. There are curtains at the windows, and the place seems well kept. The apartment contains a kitchen and four bedrooms. The whole, unfurnished, rents for $15 per month.

Four-fifths of the people in this town were born in Europe—in Lithuania, Jugo-Slavia, or Czecho-Sovakia. The old folks speak very little English, but the children all learn it on the street or in school.

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The town is completely unionised. There is not a worker in or about the mine who does not carry a union card. Still work is slack. At full time these mines produce 12,000 tons of coal a day, but for almost a year the mines have been working two or three days a week, consequently the men with families are drawing $25 or $30 every two weeks. This is enough to cover the rent and to buy the food. But there is no margin for anything else.

Still the men trudge through the rain to a meeting in defence of the Communists who were recently arrested for holding a convention at Bridgeman, Michigan. The hall is little better than a barn. The seats consist of planks thrown across empty cases. (The rent for the evening is $2.) But they listen and question, intelligently, and when the collection for the defence is taken they throw more than $25 into the hat, although there are but sixty-five of them in the hall.

One of them, a strong, vigorous man in early middle life, who lived in the company house, was very active in arranging the meeting. We thank him for his pains.

"It is nothing, comrade," he answers. "I gladly do anything that will advance the interests of the working class."

That seems to be the general sentiment among these "foreigners," who have tested the class struggle in Europe and who know it when they meet it in the United States.

Throughout the war the bituminous operators made profits that ran into the hundreds of per cents in single years, but the miners still live in their one-story cottages or crowd into the company houses, with half-time work and the threat of worse to come. Still, they have saved their union, they are joining eagerly in the demand for independent working-class political action, and they have a simple faith that in the long run they will win the day.

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THE LABOUR PARTY AND POWER

II.[1]—Possible Achievements and Certain Difficulties at Home

By M. PHILIPS PRICE

IF one makes a political canvass among the houses of the working classes and of the various grades of the middle classes in a typical industrial centre of England to-day, one will find roughly, I think, four types. There is first the type which has not altered its adherence to the two historic parties, Liberal and Conservative. The reasons for this are among certain of the workers largely personal and are due to the moment of inertia created by decades of custom and tradition. Among the big bourgeoisie, of course, a conscious or an unconscious class instinct is aroused, which determines their allegiance to these two parties. Then there is the definite Labour adherent, who has consciously or unconsciously had his class instinct aroused, and has for some time past looked to the Labour Party as the political weapon of the workers. The Party has become in fact part of his political life and his mentality is fixed. This is not the type which turns elections, but it forms the bulk of the Labour Party voters in most constituencies. Thirdly there is a militant class-conscious element which is in the Labour Party for the same reason that the second type is there, but is sceptical of the power of the Labour Party under its present leaders to achieve any big social change. This element is active particularly when industrial disputes arise. It does not permit any hero-worship for leaders to interfere with its right of criticism. It is, however, numerically very small, and its influence is indirect and due mainly to its energy. The fourth type is the most important at the present political juncture in England. It consists of elements

[1] The first article of this series appeared in our last issue but one (Vol. VI, No. 2, February, 1924), which can be ordered through any newsagent or bookseller, or obtained for 7d. post free, from the Publishers of the LABOUR MONTHLY, 162 Buckingham Palace Road, London, S.W.1.

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which have hitherto not been politically active, have taken no parts in industrial disputes, have either not voted at all or have till quite recently voted Liberal or Conservative, but are now in a state of unstable political equilibrium. They are drawn, it seems, from all classes except from the upper layer of bourgeoisie. Hand and head workers are among them, shop-keepers, professional men, state and municipal officials, small employers, craftsmen, &c.

It seems that these latter are divided into sub-types or sections. It is one of these which has brought the Labour Party to its position in Parliament to-day. And it is another which, when its mind is a little more made up, will increase the Labour Party's strength still more. But an analysis of the psychology of this element will reveal a great diversity in regard to the causes of its desertion, actual or contemplated, of the two historic parties. An important number of them represent the type of mind which says : " We have tried the two old parties and they have got the country into this mess of unemployment, high taxes, high prices, and low wages ; it's time the third lot had a try." There is a cynical touch about these which may in the event of failure of the Labour Party lead to apathy and abstentions from politics altogether. This on the Continent has led very largely to the rise of Fascism through the dropping out of politics of certain sections of the lower middle class. As Marx showed in his brilliant analysis of the 1848 revolution in Germany (*Revolution and Counter-Revolution*), sections of the small middle classes, or democrats as they were politically in those days, are always liable to alternating fits of wild elation and deep despair, and are treacherous political allies. This type in England to-day is found not only amongst the small middle classes but amongst the working classes as well. They can only be retained as supporters of the Labour cause if they can see some tangible result come from the existence of a Labour administration in Westminster. It is they who, by dropping out of politics or by being stampeded into some patriotic armament scare by the stunt Press, can make the life of a Labour government precarious.

Another section of this fourth type is sincere in its inclination towards Labour, but it is far from Socialistic in its outlook. There is an intellectual type, drawn largely from the " free professions " and from the clerk and head worker, which is genuinely disgusted

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with the old parties and disillusioned in the war and in the peace after the war. It is seeking all sorts of ways out of the country's difficulties by humanitarian quack remedies. The League of Nations and the international loan to Germany will "pacify" Central Europe, a "new spirit" in the administration of the country's affairs will provide a talisman at home. As usual in English politics, religion and the churches make their influence felt among these types. The fact that one important phase of the struggle of the British bourgeoisie for power, namely, the Puritan revolution, was carried through under the banner of religion has left its mark on the English countryside to this day, and influences even the rising forces of Labour. And so it is still possible to find provincial towns in England where a body of working men and intellectuals, who form the local Labour Party, solemnly sit down and decide to celebrate the first of May, the feast of international Labour, by—going to church! And that trade union branches, holding an evening social to commemorate the winning of a strike, should discuss among themselves whether the proceedings should or should not open with a toast to the king and to the bishop of the diocese!

Now what has been the effect of the six weeks of Labour government on the psychologies of this fourth type of the population, which is in various stages of transition to Labour? I think there can be no doubt that certain acts of the Labour government have made a deep impression on considerable sections of this type. It is true there is a sigh of relief from the Thoroughly Comfortable and their intellectual hangers-on that the advent of a Labour government did not result in the immediate seizure of their bank balances, and some can be found who will say that they are considering whether they will vote Labour next time, if this is all that Labour is. But apart from these insincere and selfish elements, there is a large body of people who are impressed by such things as the abolition of the "gap," the recognition of Russia, the scrapping of the Singapore naval base, and are roused to enthusiasm at Wheatley's attack on Joynson Hicks over the Poplar affair and the prospects of reforming the old Poor Law from top to bottom. The material effects of the acts of the Labour government on the lives of the masses of workers in this country may be very small as yet, but nevertheless such was the stagnation of the country under the Baldwin government that

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the least stirring of the waters creates a big reaction. The wavering elements of the population which are in the state of transition to Labour have undoubtedly been affected by these actions of the Labour government in the past month, and this has strengthened the latter's position morally in the country.

But the real difficulties are not yet begun. A mountain seen in the distance may seem easy to ascend, but only on closer approach the forests, cliffs, and morasses are discernible. We may not be up against them for six months or even for a year. But they will rise before us when we come to finance the schemes for housing, widows' pensions, reduction of food taxes, adequate scales of unemployment relief. If the *Daily Herald* estimate is correct, there will probably be a surplus on the estimates for the coming year of sixty-seven millions. This might, if it materialises, be a nest-egg which Snowden can put aside to begin operations on the home front. But it has always been a custom and tradition of the Treasury to automatically devote all surpluses, as they arise, for the redemption of the national debt. And through the Treasury speak the " Big Five." What sort of situation, therefore, will arise if the banking oligarchy insist on putting their hands on all surpluses, as soon as they accumulate, in order to bring about not an increase of purchasing power of the broad masses, as the Labour movement wants, but to continue the policy of artificial deflation of money values? A first-class crisis will then arise, which may result in an open trial of strength between the class interests of the big monopolists of the City on the one hand, and the working classes and the small middle classes, organised politically in the Labour Party, on the other.

In his speech to the Midland Bank Reginald McKenna hinted at the need for the Bank of England to get back under its control the issuing of currency notes, which was started by the Treasury during the war, thereby making the Chancellor not entirely dependent on the Bank of England for monetary issues. One can see already the sort of line along which the struggle will probably come. The " Big Five " through the Bank of England may refuse to grant Ways and Means to the Treasury during the thin time of the year, when the taxes come in slowly, except at high rates and will use this power to blackmail the Chancellor of the Exchequer into relinquishing his hold on the surplus, which should

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be earmarked for laying the foundations of a real Socialistic policy and the extension of State at the expense of private enterprise at home. When this issue is joined, the fate of all these excellent little administrative acts, which the Labour government has performed since it has been in office, will be called into question. These little acts must, if they are to be effective, be followed by larger acts, which will bring the Labour government into conflict with private industrial and commercial monopolies, and will let loose the struggle between private and public interest. And behind the private interests will stand the banks, blocking all paths forward for the Labour government and the rank and file which to-day is marshalled in imposing array behind. But few of that rank and file know the forces they will be up against. Upon the resolution of the active and class-conscious section of the Labour movement to keep the leaders facing straight at the enemy will depend whether the fourth type, which I have analysed above, will overcome its hesitation and actively enter the contest.

(*Subsequent articles by Mr. Philips Price will deal with the difficulties which the Labour Government will meet in carrying through its policy abroad, and with the attitude which the militant Left Wing of the Movement should adopt at the present time towards the Labour Government.*)

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Correspondence between the Editor and Printer of *The Labour Monthly*

(The following letters (published by mutual consent) serve to illustrate the conditions of publication in this country. There is no doubt that it would be impossible to print legally in this country a complete collection of Lenin's works, although many of the leading intellectual representatives profess the greatest admiration for his ability and would presumably wish to be acquainted with what he wrote. Mr. Moss himself, whose relations with THE LABOUR MONTHLY *leave nothing to be desired, is in no sense personally responsible for the part he has to play. The law of England, which would shrink from setting up an open censorship of the Press, leaves it to the unhappy printer, under the threat of economic ruin, to play the part of unpaid censors.*—Editor, THE LABOUR MONTHLY.)

I. FROM THE MANAGING DIRECTOR OF THE LONDON CALEDONIAN PRESS TO THE EDITOR OF THE LABOUR MONTHLY

March 5, 1924.

DEAR MR. DUTT,

It is obvious that I wish to retain your goodwill, and I do not want to say anything in this letter that would hurt your feelings or upset you in any way, but I must protest against the article which appeared and the last paragraph but one on page 154 of No. 3, March, 1924.

Had my attention been drawn to this paragraph we most certainly could not have printed it, and you have put us in a position of running very great risks if the people referred to cared to take action.

The reference to the leaders of the Berne International as thieves and foul murderers is very wrong indeed, and moreover, in my opinion, is not a matter of fact. Even if it were a matter of fact—and such a thought horrifies me—it is not the correct thing to call a man a murderer until he is proved by his peers to be one.

In any case, I must respectfully request you to exercise more care in respect of the contents of THE LABOUR MONTHLY while we print it.

Faithfully yours,

W. F. MOSS,
Managing Director.

P.S.—I do not consider that Lenin wrote such an outrageous paragraph. I think it must be a wrong translation.

II. FROM THE EDITOR OF THE LABOUR MONTHLY TO THE MANAGING DIRECTOR OF THE LONDON CALEDONIAN PRESS

March 11, 1924.

DEAR MR. MOSS,

I am sure that you will wish to reconsider your letter of March 6 before you wish to abide by it, as it is evidently written in haste. Otherwise we should be very regretfully compelled to consider alternative printing arrangements.

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Let me remind you that you make the following suggestions :—

(1) That a certain paragraph by Lenin is to be treated as not authentic because you disagree with it.

(2) That in passing the paragraph I did not exercise proper care.

(3) That it is improper to refer to a group of men as " murderers " on political grounds.

(4) That the reference raises " very great risks " of legal action.

(5) That you " certainly could not have printed " the paragraph had your attention been called to it.

With regard to these allow me to point out :—

(1) That the translation is literal, authentic, verifiable, and that it is not the custom of THE LABOUR MONTHLY to be inaccurate in its presentation of important documents, and that I strongly resent any such suggestion.

(2) That I equally resent the suggestion that in passing the paragraph I failed to exercise proper care, and that it is not the province of an editor to distort and bowdlerise the works of a writer and statesman of the distinction and reputation of Lenin. Even the Victorian bourgeois printers did not venture to violate the writings of Marx, strongly worded and venomous as they were in their attacks upon those whom he justly condemned. Shall a Labour Press do worse ?

(3) That your wholesale condemnation of any reference to a group of men as murderers on political grounds (for the justification of which in the present case you need only turn to Philips Price's *Germany in Transition* or Gumbel's *Two Years of Murder*) would rule out not only some of the greatest writings and literature of all time, but also some of the most distinguished members of the Parliamentary Labour Party, since no expression of regret or retractation has yet been made by the Labour Party for the just use by Mr. Maxton of the epithet " murderers " against the baby-starvers of the Conservative benches, nor have you yourself to my knowledge, who are, I believe, a member of the Labour Party, taken any public step to dissociate yourself from it.

(4) That the suggestion of the possibility of legal action arising out of a general unspecified attack against a now defunct Association without legal existence is so remote as not to admit of serious treatment, and the best evidence on this point would be to take the considered opinions of those most concerned.

(5) That the suggestion of an arbitrary printers' censorship, exercised according to the principles indicated above, on documents of supreme historic and political importance, if upheld by you, would mean that THE LABOUR MONTHLY could not, consistently with its reputation for accuracy and responsibility, continue to print with you. No doubt if you were issuing an edition of Shelley you would expurgate the lines :—

" I met Murder on the way,
He had a mask like Castlereagh "

And if you were the Government Printing Office you would feel compelled conscientiously to refuse to print the famous passage of Mr. Maxton as " too horrifying " and " probably not authentic." But you must not be surprised if responsible editors could not regard such conduct as justifiable even in the most reactionary printers.

I hope that you will consider these points, in order that we may not have to face an interruption of the admirable and exemplary service which THE LABOUR MONTHLY has always enjoyed with the utmost appreciation at your hands, and which I sincerely trust will long continue.

Yours fraternally,

R. PALME DUTT,
Editor.

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III. From the Managing Director of the London Caledonian Press to the Editor of The Labour Monthly

March 12, 1924.

Dear Mr. Palme Dutt,

I thank you for your very kind, considerate, and courteous letter of the 11th, which you sent in reply to mine of March 6 in respect of a content of Labour Monthly, March, 1924.

I am sure you would prefer that I replied to the paragraphs of your letter *seriatim* :—

(1) I am sorry that you interpret any part of my letter to read that I do not consider a certain paragraph of Lenin's to be authentic because I disagree with it. That would indeed be conceit.

(2) I did not consider that proper care had been exercised, but your letter puts a different complexion on the matter and alters my point of view, to which I will refer afterwards.

(3) I do not think it proper to refer to men as murderers on political grounds; I am revolted by the use of the term.

(4) I did think that the contents of the paragraph rendered it possible for you and us to be prosecuted.

(5) Before I received the letter I am now answering, *i.e.*, before I knew your views, I should certainly have found it difficult to print the paragraph.

Further in respect of :—

(1) You say that the translation is authentic and verifiable, and if you have read into my letter that there is any suggestion that you are inaccurate in your presentation of important documents, I am sorry. I had no such thought in my mind, and I should appreciate to the full your resentment of any such suggestion. The only point that I stress here is that you yourself say that the translation is literal. I have always understood a literal translation to be the conversion of one word in a language to another word in another language without reference to metaphor, idiom, or any national peculiarity. Therefore, it would be possible for a man to write a word in a language and a literal translation into English would read as " murderer " whilst actually meaning something else.

(2) I had no thought in my mind that you would wilfully, let alone accidentally, distort the writing of any one, least of all Lenin.

(3) I have certainly taken no public steps to dissociate myself as a member of the Labour Party with the epithet used by Mr. Maxton against the Conservatives; the only reason being that by no stretch of imagination am I a public man. Nevertheless his use of the words did not receive my inward sanction.

(4) I have no answer to make except that individuals of the defunct Association conceivably could take action.

(5) An arbitrary printers' censorship, in my opinion, would be the most obnoxious thing possible, and I have never attempted in any way throughout my life the censorship of opinion; but the use of words, if it means the closing down of works that are placed under my control, must be, and if you were in my position you would think the same, the subject of decision. I would print the words of Shelley, but I would not print in his day that Castlereagh was a thief and a foul murderer for many reasons that we need not discuss here.

I want to say in conclusion, and I say it with all sincerity, that there is no journal or piece of printing that we produce that I am more proud of in the sense that we have some connection with it as printers, as The Labour Monthly.

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It is from a typographical point of view a good job, and the contents I enjoy every month, and I am proud to be associated with it even in such a small degree, and I want you to read in my letter what I have in my mind, that though I may have been precipitant and have exaggerated a point of view, I had the protection of the Press, the book, and your good self in my mind.

Believe me, very sincerely yours,

W. F. MOSS,

Managing Director.

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The World of Labour

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GERMANY

The Communist International on the Situation

THE accompanying document was drawn up at a recent conference in Moscow of the Executive Committee of the Communist International *with representatives of the Central Committee of the German Communist Party*. The document is dated January 21.

It is of the first importance, both as an analysis of the development of the situation in Germany and as the considered opinion of the whole International on this all-important question.

Within the German Communist Party at the present time three definite groups are discernible, which have crystallised out as a result of the severe political crisis of last autumn. There is a Right group (represented by Brandler and Thalheimer) which is in a very small minority on the Central Committee (two votes out of twenty-seven); a compact Centre representing the mass of the Party (17 votes on the Central Committee); and the old Left tendencies, centring in the Berlin and Hamburg Party organisations.

The present resolutions united both the Centre and the Left, that is to say, the overwhelming mass of the Party membership. The Right also subscribed to them in principle.

We reproduce herewith the main points of the resolutions, which are very detailed:—

(1) THE TACTIC OF THE UNITED FRONT

At the Third World Congress[1] of the Communist International, the tasks of the German Communist Party arising from the March defeat were discussed in the greatest detail and summed up in the slogan: *To the masses!* In December of the same year the method by which the masses were to be won over was embodied concretely in the resolution of the Executive on the tactic of the United Front.

In Germany the Communist Party immediately proceeded to carry out the tactic of the United Front with the greatest earnestness. The whole objective situation in Germany favoured this tactic. As a result of its labours the Party achieved great success; it won the increasing sympathy of the masses, and caused disruption in the ranks of the Social-Democrats. . . .

The Fourth World Congress pointed out the dangers concealed both in the whole tactic of the United Front and in the special slogan of the Workers' Government. The Congress declared: "In order to avoid these dangers, and in order to be able to take up immediately the fight against the illusion that a stage of "democratic coalition" is inevitable, the Communist parties must not forget that every bourgeois

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Government is at the same time a capitalist Government, but that not every Workers' Government is in reality a proletarian socialist Government!" . . .

It is essential that Communists in all countries should now ponder carefully what the tactic of the United Front is and is not. It is a tactic of revolution, not of evolution. Just as the Workers' (and Peasants') Government cannot be for us a democratic transitional stage, so the tactic of the United Front is not a democratic coalition nor an alliance with the Social Democrats. *It is purely a method of revolutionary agitation and mobilisation.* We reject all other interpretations as opportunist. . . .

(2) The Revolutionary Crisis in Germany

The beginning of the revolutionary wave in Germany was signalised by the great strikes in the Ruhr and the struggles in May and June, the strike in Upper Silesia, the metal workers' strike in Berlin, the fights in the Erzgebirge and the Vogtland, and the political general strike of August, 1923, which brought about the fall of the Cuno Government.

The rapid increase in the acuteness of the situation was expressed in the rise in prices, the depreciation of the currency, inflation, burdensome taxation, the decline of Parliament, the increased capitalist offensive following on a feeble offensive of the proletariat, food scarcity, decreases in wages, the abolition of the social conquests of the working class, as well as in the growth of separatist and particularist movements, the increasing impoverishment of the old and the new middle classes, and in the decline of the influence of the democratic Centre parties. The whole burden of the war in the Ruhr was laid upon the proletariat and the middle classes, who were being steadily proletarianised. The aggravation of the class antagonisms proceeded step by step with the rapid decline of German capitalist economy, which was severed from its centres of power. . . .

In the months leading up to the winter of 1923, the relation of class power in Germany moved steadily in favour of the proletarian revolution. Before the movement in the Ruhr began, the eighteen to twenty millions of the German proletariat were far removed from any nationalist frame of mind. A profound ferment was taking place among the six to seven million petty bourgeois of the towns and the four to five million small peasants and tenant farmers.

The democratic coalition policy was patently bankrupt. The Social Democrats, who had shared the power of government with the democratic bourgeois parties, had to decide whether they should enter into a stable *bloc* with the representatives of heavy industry and of reactionary militarism; and this they finally did.

The task of the German Communist Party was, and is, to take advantage of the period of international complications arising out of the crisis of the Ruhr, the internal and extremely difficult crisis of German capitalism, and the proceeding liquidation of the Ruhr crisis in order to overthrow the bourgeoisie and to set up the dictatorship of the proletariat.

To this end the Party should have mobilised the industrial proletariat for the fight, both against German heavy industry and French imperialism, but at the same time it should at least have neutralised the middle classes of the town and country and, if possible, brought them under its leadership.

The first task could be fulfilled only if the Party succeeded in freeing the majority of the proletariat from the influence of the Social Democrats of whatever shade and in organising them so that they should be prepared for the attack upon the capitalist positions. . . .

This task has not been adequately carried out, the reasons for which will be examined below.

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The second task, in essence, involved destroying the Fascist influence and transforming the nationalist frame of mind into the will to fight in alliance with the proletariat against the German big capitalists, and against French imperialism. This task was tackled by the German Communist Party with success, as is best evidenced by the Anti-Fascist Day of July 29, 1923. Large sections of the petty bourgeois population were already in sympathy with the German Communist Party, which had succeeded in a rather high degree in pointing out to these sections the hypocrisy of the "social propaganda" of the Fascisti and their objective rôle as aiders and abettors of the big bourgeoisie, who were betraying the nation, as well as the community of interests of the proletariat and petty bourgeoisie. . . .

(3) The October Retreat and Its Causes

In October, the German Communist Party, despite its weaknesses, was prepared for the revolutionary fight for power. If, in spite of the revolutionary situation, and in spite of the exertions of the Communist International and the German Communist Party, neither a revolutionary decisive struggle nor political mass struggles resulted, this was due to a number of errors and defects and, in part, to opportunist deviations.

Defects in Estimating the Revolutionary March of Events

The Party realised too late that the revolutionary situation in Germany had matured. The Executive of the Communist International also failed to draw attention energetically enough to the oncoming crisis, with the result that the necessary fighting measures were not taken in hand in time. Already, with the end of the preceding period (Cuno Government, occupation of the Ruhr, &c.), the question of power should have been raised and the technical preparations should have been undertaken. . . .

Tactical Errors

The task of intensifying and broadening the numerous isolated actions which took place between July and September and developing them right up to actions with political slogans, was not fulfilled.

After the Cuno strike, the mistake was made of wanting to put off fundamental movements until the decisive struggle took place.

One of the most serious errors was that the instinctive rebellion of the masses was not transformed into a conscious revolutionary will to fight by giving it political aims.

The neglect of the factory councils' movement also made it impossible to place upon them temporarily the functions of workers' councils, so that when the decisive moment came, an authoritative centre was lacking around which could rally the vacillating workers who were drawn away from the influence of the Social Democratic Party.

Since other United Front bodies also (councils of action, control commissions, &c.) were not systematically used in order to prepare the struggle politically, the struggle was almost entirely interpreted as a Party affair and not as a united fight of the whole proletariat.

Political-Organisational Weaknesses and Defects

. . . . The amount of technical preparation, of readjustment of organisation for the fight for power, of the arming and internal consolidation of the centuries, was at a minimum. The much too brief and feverish technical preparations practically produced no results; it is true, they technically prepared the Party members for action, but they did not embrace the wide masses of the workers.

Errors in Estimating the Relation of Forces.

The feverishness of the technical preparations during the decisive week, the view that the struggle was only a Party struggle, and the concentration on the "final blow," without preliminary and cumulative partial struggles and mass movements, made it impossible to examine the true relation of forces and to fix proper dates. . . .

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The under-estimation of the forces of the counter revolution consisted in the fact that the Party underestimated the power of the Social Democrats as a hampering force within the proletariat.

The Party also misunderstood the nature and the rôle of the Left Social Democratic leaders, and allowed the illusion to be cherished in its own ranks that by exerting the necessary mass pressure it could compel these leaders to join with it in calling for the fight.

The Mistaken Political-Strategic Orientation on Saxony

The rigid one-sided policy of passing to the decisive struggle only from the defence of the Central German positions was a mistaken one. It resulted in the neglect of other industrial and fighting provinces, and in severe disorientation after the Saxon position was surrendered without a fight. It was a fatal error of the Party to stake all its cards on Saxony, and thereby fail to provide itself with a line of retreat and defence in case of failure, and a reserve line of attack. . . .

In any case, it was a great mistake of the Party not to have immediately changed its front and proceeded at once to partial struggles. . . .

(4) The Saxon Experiment and the Hamburg Struggles

The aggravation of the class antagonisms in Germany, the sharpening of the economic crisis, the concentration of the Party upon the decisive struggle induced the Executive Committee of the Communist International and of the German Communist Party to undertake the experiment of allowing the Communists to enter the Saxon Government.

The idea of the participation in the Saxon Government was, in the opinion of the Executive, a special military and political task, which was defined in an instruction as follows :—

> Since, as we estimate the situation, the decisive moment will take place not later than four, five or six weeks hence, we consider it necessary that every position that can be directly useful should be immediately occupied. In view of the prevailing situation, the question of entering the Saxon Government must be treated as a practical one. On the condition that Zeigner and his people will be prepared sincerely to defend Saxony against Bavaria and the Fascisti, we must enter the Government, immediately arm from 50,000 to 60,000 men in an effective manner, and ignore General Müller. The same in Thuringia.

Under these originally assumed premises, the participation in the Government conformed to the resolutions of the Fourth Congress. The promotion of revolutionary struggles, the welding together of the working masses should have been the pre-condition for the entry into the Saxon Government: this entry should have been based upon mass movements. Although the direct military task had to be put off in view of the slowing-down of the revolutionary process, nevertheless the Communists could and ought to have carried on a real revolutionary activity. In this, however, they showed themselves gravely below expectations.

It was their duty first of all to advance ruthlessly the question of arming the workers; from the first moment of their participation in the Workers' Government, the Communists should have known no other basic principle but the arming of the proletariat.

It was further their duty to unfold before the masses their proletarian programme for saving the country, and to carry on an energetic propaganda for political workers' councils, and thereby to counteract the sabotage of the "Left" Social-Democratic ministers. It was their duty to work in Parliament and in the factory councils for the immediate adoption of revolutionary measures, such as the confiscation of the enterprises

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of manufacturers who were sabotaging production, and the requisition of the houses of rich families for homeless workers and their children.

It was also the duty of the Communists from the first moment of their participation in the Government to brand in the eyes of the masses the double-dealing policy of Zeigner, his secret negotiations with the military dictators, as well as the whole counter-revolutionary rôle of the "Left" Social-Democratic leaders.

Owing to this negligence, and to the fact that the Party was not capable of mobilising the masses, the Saxon experiment failed to mark a forward move in the fight. Instead of revolutionary strategy, we had a non-revolutionary parliamentary co-operation with the "Left" Social Democrats. The special assertion of the Communist ministers that they were responsible only to the Landtag and to the constitution was scarcely suited to destroy democratic illusions.

The Chemnitz Conference could have been a success for the Party only if adequate revolutionary work had been undertaken by all the Party bodies. The Party allowed itself to be caught unprepared by the thrust of the enemy, the Reichswehr Expeditionary Force, which everyone foresaw. The greater therefore was the error that, although the general strike was to be proposed, no attempt was made to concentrate the conference from the moment of its opening exclusively on the question of defence against the Reichswehr Expeditionary Force. These were errors, which undoubtedly facilitated the treacherous game of the "Left" Social-Democratic leaders.

A direct contrast to Saxony was the uprising in Hamburg. Here it was proved that a bold surprise attack of determined fighters could smash the enemy militarily. But it also showed that such an armed struggle, even though, as was the case in Hamburg, it is regarded by the population not without sympathy and is supported by a mass movement, is nevertheless doomed to failure if it remains isolated and is not supported on the spot by a workers' council movement, the absence of which was severely felt in Hamburg.

The fight itself in the Reich was hampered by contradictory orders issued by the centre, and the strike movements which were actually taking place suffered from lack of news of the fight in the Reich generally, and by the news which was received of the outcome of the Chemnitz Conference. . . .

(5) The Rôle of the Social Democrats and the Change in the Tactic of the United Front in Germany

The leading sections of the German Social Democrats are at the present moment nothing else than a faction of German Fascism under a Socialist mask. They have handed the power of the State over to the representatives of the capitalist dictatorship in order to save capitalism from the proletarian revolution. . . .

For five years the German Social Democrats of all shades had been gradually passing over to the camp of the counter-revolution. The process is now nearing its completion. The legitimate heir of the "revolutionary" Government of Scheidemann and Haase is the Fascist General Seeckt.

It is true there are differences even in the camp of the capitalist dictatorship, and these may be of great enough importance to be exploited for our class fight. There are shades of difference between Ebert, Seeckt and Ludendorff. But, apart from those differences in the camp of the enemy, the German Communists must not forget that the main thing is to bring the working class to understand what is the essence of the whole affair, namely, that in the fight between capital and labour the leaders of the Social Democratic Party of Germany are irrevocably united with the White generals.

It is not only just now that the German Social Democrats have passed over to the side of capitalism. At bottom, they have always been the class enemies of the

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proletariat. But it is only now, after they have passed from capitalist democracy to capitalist dictatorship that this has become grossly evident to the masses.

It is this fact which induces us to introduce some modification into the tactics of the united front as applied to Germany.

No negotiations with the mercenaries of the White dictatorship! This is what every Communist in Germany must plainly realise, and proclaim loudly and emphatically to the whole German proletariat.

But even more dangerous than the Right wing of the Social Democratic leaders are the Left wing leaders, this last illusion of the deceived workers, these last fig leaves covering the counter-revolutionary policy of Severing, Noske, and Ebert.

The Communist Party of Germany rejects all negotiations not only with the Central Committee of the German Social Democratic Party, but also with the "Left" leaders as long as these heroes do not summon up enough manhood to break openly with the counter-revolutionary gang sitting in the Central Committee of the German Social Democratic Party.

The tactic of the United Front to be employed in Germany is now: "Unity from below."

In the first theses of the Executive of the Communist International, of December, 1921, we find:—

> As a counter-poise to the diplomatic game of the Menshevik leaders, the Russian Bolsheviks put forward the slogan: *Unity from Below! i.e.*, the unity of the working masses themselves in the practical fight for the revolutionary demands of the workers against capitalism. Practice has proved that this was the only correct reply. As a result of this tactic, which was modified according to the circumstances of time and place, a huge section of the best Menshevik workers was gradually won over for Communism.

The Communist Party of Germany must learn how to realise the slogan of the United Front from below.

A ferment such as had never before existed is going on among the workers who still belong to the German Social Democratic Party. They see the bankruptcy of their leaders and are seeking new paths. There is therefore no reason why we should reject local negotiations and agreements with the German Social Democratic workers wherever we are faced with honest proletarians who are prepared to prove their devotion to the revolution. . . .

The concluding section of the resolutions on the "Immediate Tasks of the Party" points out the importance of organising the struggle in defence of the eight-hour day, of uniting the forces of the unemployed and employed workers, of gaining the support of the small peasantry, clerks and officials, small middle classes, &c. Stress is also laid on the importance of organisation and technical preparations for the ultimate armed struggle for power: the "proletarian centuries" must be made a reality.

In order that these tasks shall be successfully carried out the International demands a full and open discussion throughout the German Communist Party of the experiences through which it has recently passed.

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BOOK REVIEWS

SOME OF THE ENEMY'S WEAPONS

The Real Enemy and other Socialist Essays. By Dan Griffiths. Foreword by J. Ramsay MacDonald. (Grant Richards. 2s. 6d.; International Bookshops. 1s. 3d.)

The Threefold Commonwealth. By Rudolf Steiner. (Anthroposophical Publishing Company. 2s.)

Industrial Democracy: A Plan for its Achievement. By Glenn E. Plumb and William G. Roylance. (U.S.A.: B. W. Huebsch, New York; Great Britain: Allen & Unwin. 10s. 6d.)

State Socialism after the War: A Retrospect of Reconstruction After the War. By Thomas J. Hughes. (John Bale, Sons and Danielsson. Second revised edition. 4s.)

The Birthright of Man. By Henry Lowenfield. (Leonard Parsons. 3s. 6d.)

War or Peace. By Gilbert Slater, M.A., D.Sc. (6d.)

The Fellowship of Humanity by Reason, Love and Freedom. By Gilbert T. Sadler, M.A., LL.B. (1s.)

The Restoration of Hope. By R. L. Outhwaite. (The Commonwealth Land Party. 2d.)

Money Based on the World's Goods. By C. H. Chomley. (*The British Australasian.* 6d.)

THE REAL ENEMY is an attempt to rouse the working class to "our first and chief task: to destroy the pernicious influence of the capitalist over our minds." Yet its effect on any class-conscious or rebellious worker can only be sedative; for its whole purpose is to dope the workers into believing that universal education in Socialist idealism is "their only way out."

Its philosophy is that of Shaw's *Back to Methusaleh* (*i.e.*, that of 1890): "Until the workers see and understand and feel and desire, nothing can save them." And, of course, when they "desire," they will be able to achieve without organisation, bitterness, struggle, or war. (J. R. MacDonald says in the foreword: "When our people know and love Socialism, they will have Socialism, and not till then.")

From many of these books, which form part of the armoury of our enemies (though professing democracy, humanitarianism or Socialism), only a short quotation is needed in order to show their character. Readers who might be tempted by title or advertisement can then avoid, and those who have the leisure to indulge in conscientious wading or contemplative irony can buy.

The following is a good example of the style of English (translated from the German) adopted by the Anthroposophical Society. It also shows Herr Steiner functioning as an opponent of nationalisation—in the interests of efficiency!

> However dazzling the thought of the individual producing not for himself but for society collectively, yet its justice within certain bounds should not hinder one from also recognising the other truth, that society collectively is

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incapable of originating economic schemes that permit of being realised through individuals in the manner desirable.—*The Threefold Commonwealth.*

Mr. G. D. H. Cole writes of *Industrial Democracy* that it "is the best piece of anti-capitalist propaganda I have read for years." The book consists of an explanation and application of "the Plumb Plan"—an elaborate Whitley Council scheme. Says Mr. Plumb:—

> In this country (America) we can proceed with the most necessary work without violence to our traditions, without revolution; *without taking away any vested right; and without departure from our usual methods of adjusting economic and industrial relations.*

The italics are ours, the "anti-capitalist propaganda" our author's.

State Socialism after the War is a misleading title. The book is a detailed Utopia on incredibly complicated lines. An idea of the economic knowledge behind it can be gained from this passage:—

> There is a larger proportion of capital free for business and industrial purposes than in other countries. The reason is that since all land is owned by the State, there is no buying and selling of the fee as between individuals, leaving a larger amount of capital free for other purposes.

According to its sub-title, the book embraces a greater democracy and is founded on the teachings of Christ.

Mr. Leonard Parsons, the publisher, tells us that *The Birthright of Man* contains a plan, which implies no drastic revolution and no interference with existing institutions or the rights of property. The author's own words show how greatly needed is this disclaimer of any revolutionary tendency, when he says :—

> Our savings, and the investments and enterprises which represent them, are the chief instruments of human progress.

War or Peace is a puff of Woolwich Arsenal, and an attack on private armament firms. The author is so convincing as to the efficiency of the Arsenal that we are almost driven to defend Vickers & Co. as the lesser evil, since they are the less effective weapons for imperialism.

Mr. Sadler says:—

> For the workers to arm is absurd; they would make the State prepare more and more arms to resist them. Let them rely on the spiritual powers of the unlimited Life.

Mr. R. L. Outhwaite says, apropos of the Single Tax apparently:—

> The civilisation that Force has reared on the sands of slavery cracks and shakes in the throbs of dissolution. . . . Strike with the wand of justice on the barren rocks of human desolation, and the waters of Hope will flow.

Money Based on the World's Goods is a wild attempt to fasten some variant of "credit reform" to the British Empire. It would encourage Empire trade, minimise war risks by leading to the storage of vast quantities of goods, and prevent depreciation of the pound sterling.

The waters of dope *will* flow . . .

And that is really all that can be said of these books. T. H. W.

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Economic Geography. Syllabus Series No. 13. A Study Course for Students. By J. F. Horrabin. (Labour Research Department, 6d.)

The Goslings. A Study of the American Schools. By Upton Sinclair. (The Author, Pasadena, California. Cloth and paper.)

Social Struggles in the Middle Ages. By Max Beer.

Unity in Industry. By James Kidd. (John Murray. 3s. 6d.)

The Bolshevik Persecution of Christianity. By Captain Francis McCullagh. (John Murray. 18s.)

General Idea of the Revolution in the Nineteenth Century. By P. J. Proudhon. Translated from the French by John Beverley Robinson. (Freedom Press. 2s. 6d.)

Limitation—The Way of Progress (An Essay). By G. H. Stonehouse, M.A. (Bolton and Bolton, Hull. 6d.)

A Christian View of Socialism. By G. H. Strobell. (Charles H. Kerr & Company, Chicago, U.S.A. 5 cents.)

A Constitution for the Kingdom of Heaven on Earth. Anonymous. (Johnston, Fear & Kingham, Melbourne. 3d.)

Sinn und Schicksll der Revolution. By Hans Kohn. (E. P. Tal & Co. Verlag, Leipzig, Vienna and Zurich.)

Deutsche Bauhutte. Ein Wort an uns Deutsche über mögliche Gerechtigkeit gegen Belgien und Frankreich und zur Philosophie der Politik. By Florens Christian Rang. With postfaces by Alfons Paquet, Ernst Michel, Martin Buber, Karl Hildebrandt, Walter Benjamin, Theodor Spira, and Otto Erdmann. (Gemeinschafts-Verlag Eberhard Arnold, Sannerz and Leipzig. Paper, 4 rentenmarks; boards, 5 rentenmarks.)

The Kumiai Undo. Organ of the Revolutionary Students of Japan. (E. K. Nobushima, c/o Rodo Undo-sha, Komagone Katamachi, 15 Hongo-hu, Tokyo.)

Korespondeio: Nippon Insatsu-Ko Rengo Kai. (The Industrial Federation of Printing Workers, No. 1 Ighome Demma-Cho, Akasaka, Tokyo.)

Socialism and Religion. Socialist Educational Society Library No. 1. With a Preface. (American edition: S. E. S., New York. 7 cents. London: Socialist Party of Great Britain. 5d.)

Die Geburt des Roten Armee. By L. Trotzky. (Verlag für Literatur und Politik, Vienna).

Lenin: 23/iv, 1870—21/i, 1924. By G. Zinoviev. (Verlag für Literatur und Politik, Vienna).

The White Lead Question. (W. R. Douglas Shaw, M.I.Ae., F.R.S.A., Rugby. 2nd Edition.)

Anglo-Russian Trade and its Possibilities. Address delivered by A. G. Marshall, Managing-Director of Becos Traders, Ltd. (Sampson, Clark & Company. 4d.)

Environment and Health. Fabian Tract No. 208. (Presidential Address to the 91st Annual Meeting of the British Medical Association, Portsmouth, July, 1923.) By Charles P. Childe, B.A., F.R.C.S., M.R.C.P.E. (Fabian Bookshop, 2d.)

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Compulsory Voting: What it is and How it works. Fabian Tract No. 209. By William A. Robson. (Fabian Bookshop, 1d.)

The New World of Labor. By Sherwood Eddy. (George H. Doran Company, New York, $1.50).

An Outline of the British Labor Movement. By Paul Blanshard. With an introduction by the Rt. Hon. Arthur Henderson, M.P. (George H. Doran Company, New York, $1.50).

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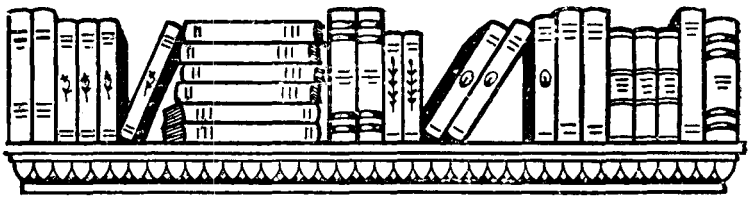

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